

The Global Newspaper Edited and Published in Paris

Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

No. 32,602 51/87 PARIS, SATURDAY-SUNDAY, DECEMBER 19-20, 1987 ESTABLISHED 1887

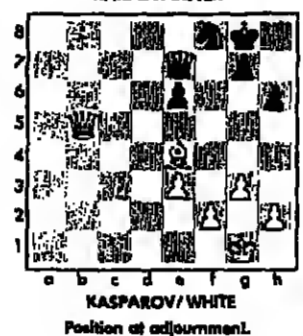
Caution By Husak Successor

Chief of Party Rules Out New 'Prague Spring'

By Jackson Diehl Washington Post Service PRAGUE — Czechoslovakia's new Communist leader, Milos Jakes, committed himself to the party's long-standing conservative political line Friday...

Kasparov Has Lead In the Final Game

The Associated Press SEVILLE, Spain — The 24th and final game of the world chess championship between the titleholder, Garry Kasparov, and his challenger, Anatoli Karpov, was adjourned Friday...



Anatoli Karpov, the challenger, stopped his clock Friday after his initial move in the final game.

Israelis Kill 3 In Gaza

New Violence Dims Hopes for End to Bloodshed

By John Kifner New York Times Service JERUSALEM — Three more Palestinian demonstrators were killed by Israeli troops Friday as violence again swept through the occupied Gaza Strip...

AIDS Virus May Damage the Brain First, New Findings Show

By Michael Specter Washington Post Service symptoms of acquired immune deficiency syndrome appeared. The findings have alarmed public health officials and experts expect the results, which scientists describe as preliminary...

Boesky Sentenced to 3-Year Term On Conviction for Insider Trading

Compiled by Our Staff From Dispatches NEW YORK — Ivan F. Boesky, the most prominent investor toppled by Wall Street's insider trading scandal, was sentenced Friday to three years in prison by a federal judge...

Verdict on Mafia: Still a Major Force Despite the Trial, Organization Remains a Way of Life

By Roberto Suro New York Times Service PALERMO, Sicily — The Mafia organization continues to function. Mimmo Signorino, a deputy prosecutor, said the morning after a jury returned 338 guilty verdicts in the most successful law enforcement effort ever undertaken against the Sicilian underworld...



Ivan F. Boesky leaving a New York courtroom Friday after being sentenced to prison.

Kiosk Rebels Accept Nicaragua Truce

MIAMI (AP) — The Nicaraguan rebels have accepted a new round of talks and a two-day Christmas truce and are willing to extend the cease-fire indefinitely if the Sandinistas halt their attacks and move toward democracy, a rebel leader, Aristides Sanchez, said Friday...

Marguerite Yourcenar, the only woman elected to the Academie Française, has died. Page 2. GENERAL NEWS President Mitterrand sought to reassure West Germany about how far France would go to defend its neighbor. Page 2. SPORTS Mats Wilander and Anders Jarryd won their Davis Cup matches, giving Sweden a 2-0 lead over India. Page 19. BUSINESS/FINANCE British Petroleum has launched a £2.7 billion bid for British PLC. Page 13. Dow close: UP 50.90 The dollar in New York: DM £ Yen FF 1.6335 1.8235 127.00 5.5255

To Grandmother's House We Go (Not Again!)

By Jane E. Brody New York Times Service NEW YORK — For many families who gather each year for the holidays, reunions are not the joyous, fulfilling experiences of song and story. They are more in the nature of endured and survived...

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AMERICAN TOPICS



SANTA SLEIGH RIDES IN CHICAGO, CABBIE STYLE — Roger McNair, a taxi driver who for seven years has dressed up as Santa Claus at Christmas and given free rides. The taxicab company donates the equivalent of his meter charges to charity.

Chicago Plans to Cut Loss of Factory Sites

In a move to preserve factory sites from conversion to residential and commercial use, Chicago city officials plan to create "protected manufacturing districts" of existing industrial neighborhoods. The New York Times reports that in these areas as much as 50 percent of the sites for apartment lofts and fashionable stores and restaurants.

Short Takes

The National Park Service has recommended banning low-level tourist flights from 44 percent of the Grand Canyon in Arizona. In such "flight-free" areas, aircraft would have to stay at least 7,000 feet (about 2,140 meters) above the rim. Flights below the rim of the canyon would not be permitted anywhere.

Post, Nicholas J. Glakas of Bethesda, Maryland, noted that Mr. Perle's version omitted the final line.

Never give in except to convictions of honor and good sense. Richard and Carole Robie have married each other 43 times in 43 states. Mr. Robie, 60, a businessman from Hempstead, New York, said he and his wife, 49, a certified public accountant, hope to be married in all 50 states by 1990.

U.S. Nuclear Repository Leaking, and Some Say Facility Will Be Useless

By Keith Schneider New York Times Service WASHINGTON — The first permanent underground nuclear waste repository, in the United States, which is intended to demonstrate how to store millions of cubic feet of radioactive material that will be dangerous for thousands of years, has developed leaks that some scientists contend will make it useless.

Nevada Site Designated For N-Waste

By Cass Peterson Washington Post Service WASHINGTON — House and Senate conferees have named Yucca Mountain, Nevada, as the site of the first and only U.S. dump for highly radioactive nuclear waste, scrapping a complex selection process established by Congress in 1982 in favor of a quick decision on a politically charged question.

The water is leaking from walls and a ventilation shaft into a vast and elaborate cavern, dug by the Department of Energy into a 650-foot-deep deposit 2,150 feet (650 meters) beneath the desert 26 miles (42 kilometers) east of Carlsbad, New Mexico.

According to documents prepared by the Department of Energy that the committee obtained late last month, a ventilation shaft pierced an aquifer sometime after construction of the repository began in 1983, causing water to leak into the chamber at the rate of 1.5 gallons (5.7 liters) a minute, enough to fill it in 25 to 30 years.

The 11-member independent committee, which is preparing a report on the repository, also discovered that highly corrosive brine was being formed by water leaking in through the walls of salt.

Split Emerging in U.S. Gun Lobby

By Wayne King New York Times Service WASHINGTON — One of the more unusual yuletide events in the capital is the arrival of John M. Snyder's Christmas card.



Christmas card from John M. Snyder, a pro-gun lobbyist.

Mr. Snyder is chief lobbyist for the Citizens Committee for the Right to Keep and Bear Arms, an organization based in Washington. Guns are his passion and his profession, and Mr. Snyder thinks Christmas is a wonderful time to put in a plug for them.

In Christmases past, his cards have carried such images as Santa Claus pointing a pistol at a burglar. Santa with a gift sack of revolvers and Santa firing a machine gun at a Soviet plane.

Yet the spirit invoked by Mr. Snyder does not pervade all quarters of the U.S. gun lobby. Mr. Snyder, who says a half million people belong in his pro-gun organization, is one of an emerging band of point men in a battle over gun control.

Views with the vigor of Mr. Snyder and his allies. Among those are Larry Pratt, head of Gun Owners of America, and Neal Knox, a National Rifle Association dissident who formed a Firearms Coalition seven months ago to act as a consultant to pro-gun groups.

larger National Rifle Association in aggressiveness, and are perhaps even pushing it toward a harder stance. Mr. Snyder believes that private citizens should have the right to buy a machine gun and that there should be no ban on the manufacture of so-called plastic guns, which critics say can escape detection by security equipment.

The National Rifle Association, which has three million members, takes similar stands on most of those issues, with the exception of the ban on armor-piercing bullets, which it ended up accepting, and the fund cutoff proposal, on which it has been silent.

But it does not express its views with the vigor of Mr. Snyder and his allies. Among those are Larry Pratt, head of Gun Owners of America, and Neal Knox, a National Rifle Association dissident who formed a Firearms Coalition seven months ago to act as a consultant to pro-gun groups.

U.S. Congress Bars Politics As Grounds for Visa Denial

New York Times Service WASHINGTON — The Senate has approved and sent legislation to President Ronald Reagan that temporarily prohibits the government from denying visas to foreigners because of their political beliefs.

The provision, which overrides part of a highly restrictive 1952 immigration law, the McCarran-Walter Act, is included in the budget bill governing State Department operations. It was approved by a voice vote. The House approved the bill earlier.

effect from Jan. 1, 1988, to the end of February 1989. By then both Mr. Moynihan and Mr. Frank hope to win approval of legislation that would permanently repeal the McCarran-Walter Act.

Among the people who have been denied entrance under the law are two Latin American Nobel Prize winners, a former general of the North Atlantic Treaty Organization, a Philippine priest and a Canadian naturalist and author.

Advertisement for Lausanne Palace hotel, featuring the text 'Your HOTEL on the Swiss Riviera' and 'LAUSANNE PALACE'.

Large advertisement for the Berlin trade fair, titled 'The Symbol for quality in international trade fairs and congresses: Berlin'. It lists various international events and provides contact information for AMK Berlin Company.

Advertisement for the Canadian Lotto 6/49 lottery, titled 'WIN \$* MILLIONS! Strike it rich in Canada's Favorite Lottery. You pick your own numbers playing Lotto 6/49'. It includes prize breakdowns, rules, and ordering information.

Vertical text on the far left edge of the page, including 'BRIEFS', 'Urges New Law', 'U.K. Local Tax', and 'Tankers in the Gulf'.

INTERNATIONAL Herald Tribune

The Kims Elect Roh

On With Democracy

South Korea's opposition fought a long, brave fight for direct elections in order to have the chance to vote an unpopular government out of power. Instead, because of its deep division, the opposition appears to have handed victory to Roh Tae Woo, the ruling party's candidate, whose official announcement last spring touched off national unrest.

Attention now properly turns to the president-elect. He remains an enigma, responsible both for the ruling party's recent reforms and for many of its less savory deeds in the preceding seven and a half years. Which behavior offers the best guide to a Roh presidency? That question now preoccupies Koreans, and key allies like the United States. The Reagan administration has made clear America's interest in continued reform.

The Evidence So Far

There is a question mark over the South Korean elections, but on the evidence so far, Roh Tae Woo, the ruling party's candidate, won a healthy plurality.

burgeoning middle class joined the students in the streets to demand change. An impulse for democracy and stability, in tandem, carried the day. There is the chance that the same impulse may keep the middle class out of the streets now. These are people who prize the progress that South Korea has made in its development and crave a political road to match, but fear to invite disorder.

A Thumb in the Dike

What President Reagan once said in defense of his former deputy chief of staff who misled the public, Michael Deaver, he said, "never put the arm on me, or sought anything or any influence from me since he has been out of government."

verdict has a sobering message: Even those closest to power can be brought to justice. It is hard to believe that Mr. Deaver could have been credibly excused by Mr. Meese's Justice Department. Even the petty indignities would have been suspect if it had come from Mr. Meese, because it stopped short of charging actual violations of federal lobbying laws.

Other Comment

Something for Bhopal

Union Carbide has admitted moral responsibility for the death of nearly 3,000 people and injury to perhaps 200,000 more, and denied it has any legal responsibility when compensation is discussed.

the existence of slummy towns around the plant for the high death toll. Any sense of natural justice has been lost. Judge Deo has gone some way to restoring it.

About the INF Treaty

The ink has yet to dry on the INF accord signed by President Ronald Reagan and Soviet leader Mikhail Gorbachev, but already the agreement seems to have sparked a political revolt within the Western alliance.

The risk is that any arms control deal will be seen as a success, bringing sweetness and light between the antagonists: the conclusion of which is that, to get more sweetness, all you need is more arms control, even if the underlying disagreements and clashes of interest remain unresolved.

INTERNATIONAL HERALD TRIBUNE

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OPINION

A Nice Start For Japan's New Leader

By Jim Hoagland

PARIS — Afflicted by the pangs of Nakasone withdrawal, the American press has not been paying much attention to the doings and sayings of the new Japanese prime minister, Noboru Takeshita.

Yasu Nakasone entranced American officials and pundits by looking and talking like a U.S. president rather than a Japanese politician. But by the end of his tenure in October, he had delivered more bombast and promises than change, and adulation had begun to give way to resentment abroad.

For it is now clear to the rest of the world that the final year of Ronald Reagan's presidency will be a period of uncertainty and temporizing on economic matters in Washington.

Already the economies of Southeast Asia, Mr. Nakasone's maiden voyage was a high-profile political trip to South Korea that stirred conservative opposition in Japan that dogged him throughout his term in office.

The economic cooperation agreement signed at the Louvre in Paris in February has clearly vanished in the last two months, taking away the final remaining props for the dollar and the last vestiges of a functioning international monetary system.

It is this set of circumstances that imparts significance to Mr. Takeshita's decision to go first to Manila and give pride of place to Southeast Asia — the heart of any future yen zone. He moved a pawn in that direction by unveiling the details of a \$2 billion package of trade aid for the region, and he sought to dispel the lingering bitterness that over Japan's brutal World War II invasion with a gentle policy.

It was a characteristic performance from a leader who moves almost imperceptibly, but steadily toward well defined goals. It was a good start for the new kid on the leadership block.



What's This Talk About a Nuclear-Free World?

By Phillip Geyelin

WASHINGTON — Ask a stupid question, the old wheeze goes, and you get a stupid answer. So the answer should have come as no surprise when the Washington Post-ABC News Poll recently asked a scientifically selected sample of 1,007 adult Americans: "Ultimately, do you think the United States and the Soviet Union should or should not agree to eliminate all nuclear weapons?"

he launched his Strategic Defense Initiative in 1983 and offered the prospect of a modest defense that would render offensive nuclear weapons "impotent and obsolete."

"making the world safer for conventional war and putting the Europeans at some risk?" He was like pushing the wrong key on a computer. He launched into a long dissertation on the difference between conventional and nuclear war — between the traditional "rules of warfare" and "mutual assured destruction" with "missiles exploding all over" America and the Soviet Union.

Chirac Has a Strongman Who Might Not Be of Help

By William Pfaff

PARIS — Charles Pasqua, France's interior minister, is the man William Casey and Oliver North wanted to be. He is a genuine tough guy; they were acting the part. Given the job of dealing with France's housing and social problems, he has made a trail of wreckage and outrage, but has delivered the goods.

two French hostages in Beirut were free. The translator in Paris got in a car and went to the Palais de Justice to be interviewed by a magistrate, who found no reason to hold him.

"progressively distance itself" from Baghdad and Washington. Elsewhere they are noted as debt repayment in full, an end to French military aid to Iraq and expulsion of all Iranian opposition activists in France.

Hart Keeps Making the Same Mistake

By A. M. Rosenthal

NEW YORK — There is a common thread connecting many strong people who decide to seek psychiatric counsel. It is the realization that they are acting repeatedly in a way harmful to them, without knowing quite why. So they spend time, often painful time, with somebody who can make them see themselves more clearly, discover what it is that makes them act out the same mistake — and by knowing, change.

once again he has his chance, on those steps in New Hampshire, with the country watching. He talks about how much he can do for the country with his ideas, about what a tough decision it was, now let the people decide.

1887: Don't Come Here
PARIS — A Corfu correspondent writes: "You fancy you ought to take the cake in England for bad climate. Bide a wee, and try Corfu first. It has rained here for two months, and promises to continue. There is an everlasting sirocco, and mosquitoes like the sands of the sea. There is neither leather nor fur in Albania so; yacht hire double what it is at home. Beaters ask for pay which a British sportsman never dreamed of getting, and their dogs are keen to pursue everything but game. Anyone who comes here for a winter climate is a dreamer of dreams."

100, 75 AND 50 YEARS AGO

1937: Cuban Warning
HAVANA — All foreign residents engaged in activities "for the moral and material support of armed conflict in foreign countries" will be deported immediately. This measure was announced by President Laredo following outbreaks among the rival factions of the civil war in Spain. These outbreaks were brought to a climax when seven men raided the Spanish Republican Circle and forced 50 members to leave at the point of guns, after which they destroyed furniture and documents. Another armed attack was made almost simultaneously on the Spanish Socialist Circle, where furniture and other fixtures were destroyed. When members of the Phalangist Circle heard of these attacks, they closed down.

JPL/col/SD

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Kenya Cites War Threat, Ousts Envoy Of Uganda

By Blaine Harden Washington Post Service NAIROBI — Punctuating a week in which Kenya and Uganda have exchanged bullets, insults and allegations, President Daniel arap Moi of Kenya said Friday that Uganda was "preparing for war."

Mr. Moi's statement and the expulsion of Charles Katungi, the Ugandan ambassador, who was accused by Kenya of uttering an "insulting insult on the person" of Mr. Moi, marked a historic low in relations between two East African nations that have a long common border and close economic ties.

Late Friday, Kenya recalled its ambassador and his deputy from Uganda. Mr. Moi said Ugandan soldiers were digging trenches along the border and "preparing for war."

"We have not done it," he said in a speech at a Kenyan university, "so let the world know when we act, they should not blame us."

The dispute has been fueled by Kenyan fears that the Libyan leader, Colonel Moammar Gadhafi, is using Uganda as a base for attempts to destabilize Mr. Moi's government.

In announcing the expulsion of Mr. Katungi, the Kenyan foreign minister, Zachary Onyika, also said Friday that the Libyan Embassy had been ordered closed.

The embassy "has been used consistently for gross interference in the internal affairs of Kenya," Onyika said.

Kenya has repeatedly charged that Libya has been operating spy rings in Kenya. The Kenya Times, the governing party's newspaper, said Friday two helicopters carry Kenyan troops had landed this week in Entebbe, Uganda.

"Mr. Katungi called the report 'ridiculous,'" he dismissed Kenyan claims that Uganda provides a base for Kenyan dissidents seeking to overthrow Mr. Moi's government.

President Yoweri Museveni of Uganda has asked the Organization of African Unity to mediate the dispute. On Friday, the organization's secretary-general, Ide Oumarou, sent messages to Mr. Moi and Mr. Museveni, appealing for a peaceful settlement.

Border clashes began Monday near the town of Busia. Since then, shooting between Kenyan police and Ugandan soldiers has resulted in a number of deaths and injuries.

Most of Uganda's imports and exports "pass" by road and rail through Kenya to the port city of Mombasa on the Indian Ocean. A prolonged closing of the border would harm Uganda's economy.

By David B. Ottaway Washington Post Service WASHINGTON — The Reagan administration has won its biggest battle over one of its smallest arms sales of the year — as many as 70 Stinger anti-aircraft missiles and 14 launchers valued at \$7 million for the Gulf sheikhdom of Bahrain.

The victory came after an exhaustive lobbying effort on Capitol Hill and sticky negotiations with Senator Dennis DeConcini, Democrat of Arizona, who led the opposition to the sale and exacted his price.

In the end, Defense Secretary Frank C. Carlucci and the national security adviser, Colin L. Powell Jr., agreed with Mr. DeConcini a week ago allowing Stingers to go to Bahrain under some of the most stringent restrictions and conditions imposed on a U.S. arms sale.

Though the agreement was made late Dec. 11, a Thursday by one made to reverse it Thursday by one of the House conferees negotiating the foreign operations section of the omnibus spending bill with his Senate counterparts. The bid was defeated on a 6-3 vote among the House conferees, according to Mr. DeConcini's office.



Senators Max Baucus, left, Democrat of Montana, and Malcolm Wallop, Republican of Wyoming, co-chairmen of the Senate Beef Caucus, watch Ambassador Taizo Watanabe take a forkful at the Congressional Beef Caucus luncheon in Washington.

U.S. Beef? Japan Can't Stomach It

Compiled by Our Staff From Dispatches WASHINGTON — A key farm official from Japan's governing Liberal Democratic Party, pleading for more time to ease his country's barriers to agricultural imports, has asserted that because of health and religious reasons Japan may not be able to increase its purchases of American beef.

"To the intestinal system, it will mean a very big change" to eat more beef, Tsutomu Hata, a former agriculture minister, said at a luncheon Thursday. He said the Japanese had a "much, much larger" digestive system than Americans, which, he said, "made it harder for them to eat beef."

"I've never heard that argument before," Clayton K. Yeutter, the U.S. trade representative, said laughingly. "I've heard all the rest of them."

Mr. Hata, chairman of his party's Agricultural Committee, also cited Buddhist restrictions on meat as well as the traditional Japanese diet, which emphasizes fish.

Congress Acting to Ban Japanese From U.S. Construction Projects

By Clyde H. Farnsworth New York Times Service WASHINGTON — Reflecting yearlong trade disputes and tensions over the trade deficit with Japan, House and Senate conferees have agreed to ban Japanese companies from participation in public works construction projects in the United States.

Also Friday, the Senate Foreign Relations Committee dealt a blow to a newly negotiated agreement that would have allowed Japan to fly shipments of plutonium from Europe to Japan over the northern United States for the next 30 years.

While that decision reflected environmental and safety concerns, Congress moved on other fronts to make clear its unhappiness with Japan over the bilateral trade disputes that have flared as a result of a projected \$60 billion trade deficit with Japan this year.

"Some of it is pure Japan-bashing, and some of it is more substantive," said Philip H. Trezise, an analyst at the Brookings Institution. "The bilateral trade deficit is a cause of great concern."

The decision to exclude the Japanese from public works construction, including airports, veterans' hospitals and other projects, came as the conferees neared approval of a \$600 billion appropriations bill needed to put into effect this year's budget agreement.

The proposal does not mention Japan by name. Instead, it requires the denial of contracts for design, engineering and construction services to companies that close their markets to American companies.

Japan, which has blocked major American participation in the construction of an airport, is the main country that would be affected. Congress has taken other steps to punish the Japanese and is considering some others. The House and Senate conferees meeting on the spending bill have banned Toshiba Corp. from selling its electronics products to the Pentagon or at military post exchanges.

In Market Crash, Prince Charles Lost \$7 Million Reuters LONDON — Prince Charles lost as much as \$7 million (\$12 million) in the October stock market crash, financial experts estimated Friday.

Defector's Evidence Is 'Speculative' On Managua Invasion Plan, U.S. Says

By Richard Halloran New York Times Service WASHINGTON — A senior Defense Department official has acknowledged that evidence provided by a Sandinist defector of a Nicaraguan plan to invade other nations was "speculative."

The official, in a briefing Thursday at the Pentagon, also said the United States had no documentary evidence that the Soviet Union had promised to furnish MiG-21 jet fighters to the Sandinist government as asserted by the defector, Major Roger Miranda Bengochea.

A document in English, which Pentagon officials said was a summary of documents in Spanish brought by the defector, contained no evidence of plans to invade other nations. The only mention of MiG-21s was in a passage on arms Nicaragua would like to have.

The statements by the Pentagon official, who declined to be identified, seemed to contradict the Reagan administration's contention that Major Miranda had provided solid evidence of Sandinist plans.

After the defector was made available to reporters last week in the office of Elliott Abrams, the assistant secretary of state for inter-American affairs, Mr. Abrams said: "The military plan is a plan for the creation of a new Cuba."

The briefing Thursday was clearly part of a Reagan administration effort to counter the defector's deflection and statements to persuade Congress to approve more aid to the Nicaraguan rebels, known as contras.

The Pentagon briefing was intended to hush the administration's contention that Major Miranda was a credible source of information. But under close questioning, the official acknowledged that many of the defector's statements were speculative.

The officials have said Major Miranda, who was a close aide to the Nicaraguan defense minister, Humberto Ortega Saavedra, arrived in Washington more than a month ago and has been under investigation since. The official who briefed the press said he had spoken at length with the major.

The Nicaraguan defector was made available to speak to several reporters during the visit to Washington of the Soviet leader, Mikhail S. Gorbachev. The three-day visit ended Dec. 10.

The official opened the briefing by repeating statements of other administration officials that the United States considers Major Miranda to be a credible source of information.

Mr. Reagan needs some of the provisions attached to the legislation. In voting 15-3 against the plutonium-ships agreement, Senate Foreign Relations Committee members told the president by letter that the pact was "not consistent" with American nuclear non-proliferation laws and formally asked him to withdraw it.

A Japanese Embassy spokesman, Koichi Haraguchi, said his government believed the agreement satisfied all requirements of American law.

"We hope the Senate and House will give their blessing to this agreement," he said. Mr. Haraguchi termed the trade actions being taken by Congress an "indirect reflection of the widening and deepening Japanese-American relationship."

"It is inevitable that we will have a number of problems in various fields," he said. "We must treat them in a spirit of cooperation and good faith. We will be losers if we treat the issues emotionally."

U.S. Panel Agrees Not To Penalize Pakistan

By Don Oberdorfer Washington Post Service WASHINGTON — A Senate House conference committee has agreed not to penalize Pakistan for illegally seeking to import U.S. nuclear materials.

The agreement was reached just hours before a federal jury in Philadelphia convicted a Canadian of Pakistani origin of that offense.

The congressional action Thursday on the catchall continuing appropriations bill grants Pakistan a two-and-a-half-year waiver from U.S. nonproliferation laws.

It also provides \$260 million in foreign military sales assistance and \$220 million in economic aid for the fiscal year that ends Sept. 30, 1988.

There had been moves in Congress to cut off or severely restrict Pakistan aid because of repeated reports that the country is developing a nuclear weapons program and after the arrest in mid-July of Arshad Z. Pervez, the Canadian citizen.

He was charged with seeking to illegally provide Pakistan with sensitive U.S. materials used in making atomic weapons.

The drive in Congress for sanctions against Pakistan was countered and eventually overwhelmed by congressional determination to support Pakistan because of its role in assisting the anti-Soviet rebels in Afghanistan and because of its vulnerability to Soviet pressure.

Representative Stephen J. Solarz, Democrat of New York, a key figure on the Pakistan issue in the House, said earlier that it was a classic congressional struggle between competing objectives.

He said it was a matter of "whether we attach more importance to our nuclear nonproliferation objectives or to support of our Afghanistan policies."

Mr. Solarz said the issue may not have been resolved by the conference committee's vote Thursday, in view of Mr. Pervez's conviction later in the day.

A 1985 measure, bearing Mr. Solarz's name, mandates a cutoff of U.S. aid if a nonnuclear weapons country, such as Pakistan, attempts to illegally export nuclear weapons material from the United States.

"The president has an affirmative responsibility to carry out the law, and the law requires a termination of aid," said Mr. Solarz.

Witness Says Noriega Sent Arms to Salvador

By Stephen Engelberg New York Times Service WASHINGTON — A former employee of General Manuel Antonio Noriega, Panama's military leader, has told congressional investigators that the general authorized arms shipments to the Salvadoran rebels in the early 1980s.

The general's former personal pilot, who is a chief witness in a Miami-based federal grand jury investigation of the general, had told investigators that he took part in air drops of arms.

U.S. intelligence officials said they had no independent confirmation of the charges. Nor was it possible to estimate the amount of arms shipped.

Several administration officials said the pilot's assertions were plausible in light of charges made by a prominent Nicaraguan military defector that General Noriega had offered to sell arms to the leftist rebels in El Salvador.

Mr. Carleton's account of General Noriega's actions, if it can be verified, could raise further questions about the close ties between the United States and Panama, which have recently been strained.

Mr. Carleton's statements suggest that the Central Intelligence Agency had at least some reason to suspect that General Noriega was a source of arms going to the Salvadoran guerrillas. The agency worked closely with the general in this period and had extensive eavesdropping facilities in Panama.

Senator John F. Kerry, Democrat of Massachusetts, a member of the Senate Foreign Relations Committee, said Mr. Carleton's disclosures had prompted the Senate panel to begin investigating whether the administration had misled Congress in trying to secure aid for the Nicaraguan rebels, known as contras, and whether it had adopted a double standard in dealing with Panama.

"If you recall," Mr. Kerry said, "the early rationale for the contras was arms interdiction, and if we knew at the time of the weapons flow via General Noriega, it raises serious questions about the bona fides of that rationale."

Mr. Carleton has said he took part in drug trafficking on behalf of General Noriega. The general has denied drug trafficking.

From 1981 to 1984, the administration sent intelligence officials to search for solid evidence that Noriega was supplying the rebels. Although no firm evidence was ever unveiled, intelligence officials said the circumstantial case for Nicaraguan involvement was overwhelming.

That appears to have been confirmed by Major Roger Miranda Bengochea, a former high-ranking Nicaraguan military man who defected to the United States in October. Major Miranda said the Sandinists were shipping the weapons to El Salvador by sea.

1887 and all that... The Trib's Centennial Quiz. Here are the winners: Mr. Jacques Menard (Paris, France), Mr. Alain Delantier (Paris, France), Mrs. Mary Bone (Sawbridgeworth, England), Mr. and Mrs. Robert (Paris, France), Mr. Antoine Visiere (Paris, France), Mr. Julian Moseley (Paris, France), Ms. Yvonne Shipp (Paris, France), Ms. Susannah Boyd (London, England), Mr. Guillaume Lemoine (Magney-en-Vaux, France), Mr. Gilles Launoy (Paris, France). The 25 questions included several with multiple answers, which made a total of 34 answers to complete the Centennial Quiz. The ten winners listed above got all 34 answers correct.

Nice Start for Japan's New Leader... Cuba Warns... 50 YEARS AGO... 1937: Cuban Warns...

A Manufactured Protein May Block AIDS Virus Procedure Works in Dish in Lab, But Scientists Await Human Trials

By Gina Kolata
New York Times Service
NEW YORK — Scientists have developed a novel technique that, in theory at least, would use a cellular protein to block the AIDS virus from reaching the body cells that are its target. The technique is about to be tested in animals and, if it continues to show promise, it could be tried in humans within a year. While scientists said they were excited by the development, they warned that even if tests are promising it would probably take years to develop a treatment for wide use by AIDS patients. In addition, they cautioned that the protein had only been tested in the laboratory. They said that treatment of humans with it might turn out to have unacceptable side effects or that it might fail to provide protection when injected into the body. The key to the new approach was the synthesis of a cellular protein that, in laboratory dishes, stops up the virus that causes acquired immune deficiency syndrome like a sponge. The synthesis was accomplished with techniques of genetic manipulation. In the body the protein, CD4, normally plays a crucial role in the spread of the AIDS virus from one cell of the immune system to another. The virus latches onto the protein on cell membranes as the first step in invading the cells. Scientists have discovered that in laboratory dishes, isolated bits of the protein attract the AIDS virus to themselves, preventing it from entering nearby cells.



ART AGAINST AIDS — An AIDS poster, the centerpiece of an educational campaign against the disease in Massachusetts, makes use of a 1951 painting, "Facts of Life," by the American artist Norman Rockwell.

They hope that when CD4 is administered to people infected with the AIDS virus, the protein might serve as a decoy, absorbing the virus and halting its spread to new cells. It also might be possible to attach virus-killing drugs to the protein in order to deliver the drugs directly to the AIDS virus, scientists speculate. "This is a very exciting way to go," said Dr. Samuel Broder, a scientist at the National Cancer Institute who is a leader in the development of treatments against the fatal disease, which cripples the immune system. "There is a great deal of enthusiasm for it." "I'm very enthusiastic about the concept," said Dr. Anthony S. Fauci, the director of the National Institute of Allergy and Infectious Diseases in Bethesda, Maryland. If animal tests of safety and effectiveness are successful, he said, the federal agency would lend its full support to human trials. The CD4 protein "binds incredibly strongly" to the AIDS virus in the laboratory, said Dr. Jerome Groopman, of New England Deaconess Hospital in Boston, who is testing the protein in association with Genentech, a biotechnology company in San Francisco. Scientists from Genentech Inc. and Dr. Groopman's team reported in Thursday's issue of the journal Science that they had produced CD4 by inserting the human gene that directs its manufacture into animal cells, which then make the protein. Dr. Daniel Capon of Genentech said that in the laboratory, the CD4 protein had prevented more than 99 percent of cells from being infected with the AIDS virus. "The inhibition is impressive, there's no question about that," Dr. Capon said. In the body, scientists believe, the protein would not eliminate the AIDS virus altogether, but they hope it might slow or halt progression of the disease by preventing the virus from invading new cells. Genentech is one of at least four companies or groups that have raced to synthesize CD4. Similar reports by three others are about to be published elsewhere. One of these groups, Biogen, of Cambridge, Massachusetts, announced some of its results at a meeting in September.

MAFIA: Despite Trial, Group Remains a Way of Life

(Continued from Page 1)
body. He was found guilty of taking part in 38 decisions to order homicides but was found innocent in 40 similar killings. "The internal logic of this verdict is impossible to decipher," the lawyer said. The phone rang in his office. It was the wife of a defendant, and he took several minutes to explain that the man had been found not guilty of narcotics trafficking but guilty of belonging to the criminal conspiracy known as the Cosa Nostra. "The verdict seems to reject the idea of collective guilt," the lawyer said, "because people are found guilty of some crimes but not others, yet in many cases it accepts this broad accusation of membership in the Mafia." During the trial, Mr. Galina Montana argued for a "horizontal" view of the Mafia as many small clans that reflected an old mentality, each in their own territory, and who did sometimes commit crimes. He thus combated the prosecution's view of a "vertically" organized Cosa Nostra. "The verdict did not deny the existence of the Mafia, but it did not absolutely affirm the existence of the Cosa Nostra either," he said. The Reverend Bartolomeo Sorge told some of the young men and women training to enter public life at the political studies center he directs to avoid making too much of the verdict. Gathered in a small garden during a break between lectures they expressed amazement that so many big names previously thought beyond the law had been found guilty. "Yes, there is cause to be satisfied," said Father Sorge, "but only one form of the Mafia was under attack. The organization's political connections were not exposed, and the Mafia culture still exists many places." Father Sorge concluded, "The trial's greatest value is as a symbol of a Sicily that is changing but still has a long way to go."

GAZA: 3 Palestinians Die

(Continued from Page 1)
day, saying: "No problem can be solved by running away from it. If the army is not in Gaza, it will be ruled" by the Palestine Liberation Organization. ■ Hostages Threatened Kidnappers of four foreign professors in Lebanon threatened Friday to take reprisals against their hostages if Israel continued to crack down on Palestinians in the West Bank and Gaza Strip, Reuters reported from Beirut. Islamic Jihad made the threat in a statement sent to the independent An-Nahar newspaper.

Glasnost Meets the Soviet Press, Sort Of

By Celestine Bohlen
Washington Post Service
MOSCOW — The press briefing for Soviet journalists at the state planning agency was well under way when an exasperated reporter from Literaturnaya Gazeta addressed the spokesman. "Tell me, just what kind of event are we attending here?" asked Alexander Levikov. "A press conference is to give information to the press, yet the whole time you keep warning us — this is 'not for publication.'" According to the story as retold by Mr. Levikov in this week's edition of his newspaper, the deputy chairman of Gosplan, the state planning agency, apologized, saying he had still not been given permission to use such mundane facts as the drop in world oil prices and a resulting decrease in Soviet imports. Mr. Levikov's article pointed up the latest, sometimes contradictory stage in the continuing debate over glasnost, as Mikhail S. Gorbachev's policy of openness is called in Russian. For a press to be open, it needs access to information, which is proving to be a difficult task in a society that in the past has considered the most obvious facts to be top secret. While top party leaders give speeches urging the press to keep up disclosures of official mistakes, newspaper editors report greater resistance to the press on the part of local authorities. Mr. Levikov cited examples: a deputy minister of light industry who called a shoe factory built by Italians a "secret" and trade experts who refused to divulge statistics on coffee deliveries, saying that they, too, were classified. This hostility to the state-controlled press continues despite the growing trend to regular briefings which until recently were unheard of. Now, for instance, the Ministry of Internal Affairs has opened its weekly briefings to foreign reporters, giving out once hidden statistics from the capital city's police blotter (three murders, six deaths by fire and 12 in car accidents were reported in Moscow last week). When to print and what to print are issues that are far from decided, although journalists and government officials have accumulated considerable experience over the past year. In January, Mr. Gorbachev declared glasnost a cornerstone of his new reforms. As he and other members of the leadership say repeatedly, without open debate, managers will become isolated and corrupt, workers will lose interest and the stagnation that crippled the Soviet economy will set in again. Lately, the repetitions have bordered on harangues as leaders exhort the press to step up its openness campaign, to draw "a second wind," as Mr. Gorbachev said in a speech at the Communist Party Central Committee on Nov. 20. But there are hints that not everyone understands openness to be the same thing. Although progressive-minded editors see it as independence from control, Mikhail S. Solomontsev, a Politburo member, recently said glasnost should be developed into a "well-oiled, efficient mechanism." As the Soviet economy gears up for major changes that are to go in place Jan. 1, more attention has focused on the press. In a meeting with media executives on Dec. 1, Alexander N. Yakovlev, a Politburo member and the propaganda chief, warned journalists against abusing their avant-garde position in the battle for reforms through "carelessness and slipshod preparation of material." But Mr. Yakovlev urged journalists to become society's teachers — to inform, to inspire and most significantly, to criticize even when the criticism hurts. The attack on those who have tried to squelch the press has been carried by other leading editors, including Viktor G. Afanasyev, editor of the Communist Party newspaper Pravda. "Perhaps the most widespread form of struggle against glasnost is the suppression of criticism," wrote Mr. Afanasyev in Pravda on Dec. 14. He said cases had occurred where those criticized reacted by digging into journalists' backgrounds, "looking for dark spots," sometimes even inventing crimes. In some cases, journalists have been jailed, and their cases only overturned "on the very highest party levels," he said. According to one source, Mr. Yakovlev criticized Pravda, the country's leading paper, for failing to keep pace with reforms at the Dec. 1 media meeting. Mr. Yakovlev is seen as being in ideological opposition to Yegor K. Ligachev, No. 2 in the Kremlin who in meetings with media executives this fall reportedly criticized the editors of Moscow News and Ogoniok, two publications seen as being in the vanguard of glasnost. In an interview in Paris, Mr. Ligachev defended his criticism of the progressive editors, noting if journalists now can criticize party leaders, then leaders should be allowed to criticize journalists. Readers of Soviet publications are recording their own votes: Circulation for Ogoniok, once a staid picture weekly, has jumped 225 percent to 1.3 million copies over the past year when it became a lively flagship of glasnost. Subscriptions for two monthly magazines, Novy Mir and Znamya, which have also printed provocative articles, have doubled, according to their editors.

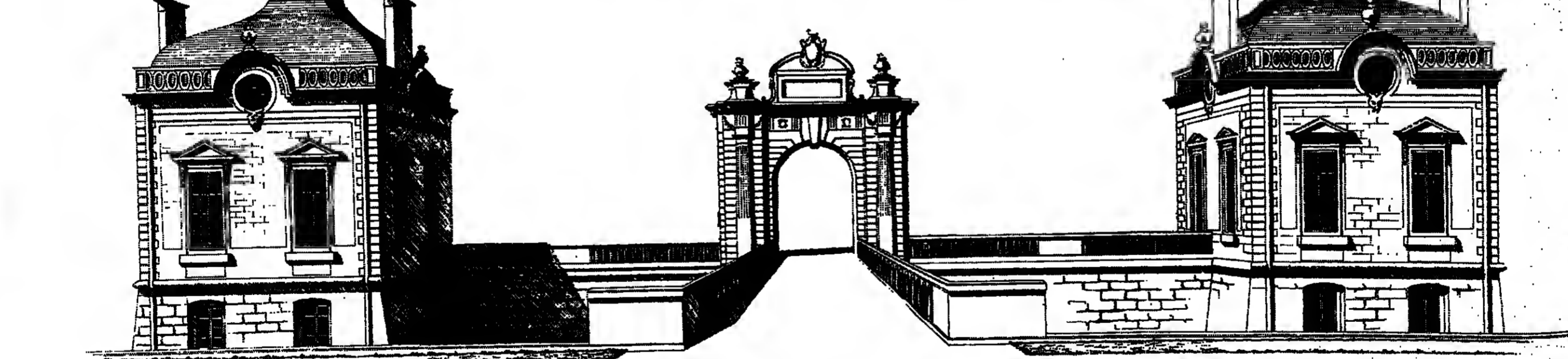
MERRY: Not Grandmother's Again

(Continued from Page 1)
the problems beforehand and establish some sort of agreement about the issues most likely to provoke hostility. "This visit we will not discuss what I wear, how I raise children, how much people weigh, hair styles or my husband's job." If your family is beyond changing, then it may be up to you to change. Start by picking your battles. Not every comment, criticism or instruction from a parent or sibling is worth fighting about. Save your fights for the bigger issues. Humor, but not sarcasm, can take the edge off a potential conflict. When the mother of a 38-year-old lawyer repeatedly cautioned her daughter about stopping for red lights, the daughter responded: "But Mom, that's so conventional. I want to be different. I want to go on red and stop on green." The mother quickly got the picture. One strategy is to avoid depending on parents. This reduces the chances of regression into old parent-child roles and relieves demands on parents who have come to enjoy their independence. Richard Mikessell, a psychologist in Washington, believes structuring the holiday visit can head off many conflicts. Instead of expecting parents to house, drive, feed and entertain you, he suggests staying in a nearby hotel or motel, renting a car, participating in meal preparations or taking the family out to eat once or twice. To reduce the chances of sibling conflicts, he suggests getting together with brothers or sisters outside the parental home, which often sparks old rivalries. To overcome resentments about spending precious vacation time on family reunions that people regard as command appearances, try keeping the family visit short and scheduling a real vacation before or right after it.

CZECH: Leader Cautious

(Continued from Page 1)
with a red banner headline over a half-page photo of Mr. Jakes, people in Prague seemed more interested in shopping or in the festive Christmas displays set up in squares in the old town. Several residents said they knew little about Mr. Jakes but assumed he would continue Mr. Husak's policies. Officials portrayed the transition from Mr. Husak to Mr. Jakes as one of the smoothest in the history of East bloc Communism, planned for months, agreed on unanimously by the leadership and designed by Mr. Husak to ensure perpetuation of his policies. At a news conference after the party meeting, a Central Committee foreign relations official, Michal Stefanak, said Mr. Husak, 74, first suggested to the 11-member presidium at the beginning of this year that at the end of 1987 he might give up his post as party chief while retaining state president, largely a ceremonial position. Mr. Stefanak said that Mr. Husak did not feel he was physically capable of keeping both positions as he approached his 75th birthday next month and that he believed one person should devote all his energy to directing the complicated restructuring program as party chief. Despite Mr. Jakes' pledge to pursue economic restructuring, the two-day Central Committee session did not take a decisive stand on a "complex document" outlining economic change or on draft laws on the management of state enterprises, agriculture and cooperatives, officials indicated. The committee had been expected to approve the measures, drawn up over the course of the last year and submitted to a public debate during the summer and autumn. Mr. Stefanak said the committee had returned the documents to the government for "further work" before the session of the Federal Assembly, or parliament, next spring. The action suggested the party had been unable to reach full agreement on the measures, which include a partial decentralization of state economic management, price restructuring and other steps designed to make the economy respond to market forces.

Do you Know Blérancourt, The Museum of French-American Friendship?



The Château de Blérancourt, a seventeenth century masterpiece by Salomon de Brosse is located 125 km (80 miles) north of Paris near the historic town of Compiègne (see map). The main body of the Château was destroyed during the French Revolution but four exquisite pavilion buildings remain in which the museum is housed. The Blérancourt museum was founded by Anne Morgan, daughter of the financier J.P. Morgan, who bought the property in 1917 to shelter the wounded and homeless during World War I and subsequently lived there for many years. While at Blérancourt, Anne Morgan collected works of art and documents reflecting the history of Franco-American relations from the American Revolution to the present day. In 1929 she presented Blérancourt and its collections to the French government and it was given the status of a French national museum and was officially named the **Museum of French-American Friendship**. The exhibits, composed of paintings, sculpture, historical memorabilia and documents are extremely varied and everything in the museum illustrates either historically or artistically the close relationship between France and the United States over the

past two centuries. Among the most moving souvenirs on display are a Ford ambulance used by the American Field Service during World War I and the order for D-Day dated June 6, 1944, signed by General Eisenhower. The museum also illustrates the rich cultural and artistic exchanges between the two countries, with exhibits from the many French artists drawn to America for inspiration as well as those American painters influenced by France. Led by its dynamic curator Pierre Rosenberg, Blérancourt has exciting plans for development, including the expansion of the museum's art collection through the permanent loan of fifty paintings from the Louvre, the Musée d'Orsay and the Centre Georges Pompidou. This permanent exhibit will be housed in one of the pavilions — renovated and expanded for the purpose. In the surrounding grounds, a botanical museum has also been created using American

species. It includes an arboretum of American trees selected for their autumn foliage. The French government has responded by increasing subsidy but substantial outside funds will also be needed. A fully tax-exempt US foundation — American Friends of Blérancourt, Inc., has been established and the Florence Gould Foundation has contributed a special matching grant of \$500,000. Other leading foundations as well as leading companies with Franco-American ties also contributed: Dillon Foundation, Disney Foundation, Frederic Henry Prince Foundation, Mona Bismarck Foundation, Seth Sprague Foundation and Air France, Caron, Elegance Inc., France Telecom, I.B.M., Manpower.

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19-12-87

THE NEWS
Committee Begins
Membership
Party
Schwab

Austria: New Challenges

IN THE NEWS

Sept. 1: Commission Begins Probe of Waldheim

An international commission of historians, appointed by the Austrian government to investigate charges against President Kurt Waldheim, holds its first meeting. Scholars from Belgium, Israel, Switzerland, the United States and West Germany will issue their report early in 1988.

Nov. 5: Chancellor Moves On EC Membership

Chancellor Franz Vranitzky, discussing Austria's future links with the European Community, declares in Bonn that full membership in the EC would be consistent with Austrian neutrality and could not be ruled out at a later date.

Nov. 8: Ruling Party Suffers Setback

The People's Party, which rules Austria in coalition with the Socialists, is the unexpected big loser in Vienna local elections. The party has been losing ground steadily in a string of local elections, but the setback is not thought to be a result of the Waldheim affair. The right-wing Freedom party headed by Jörg Haider, nearly doubles its vote in just short of 10 percent.

Nov. 18: Official Resigns Over Anti-Semitic Remark

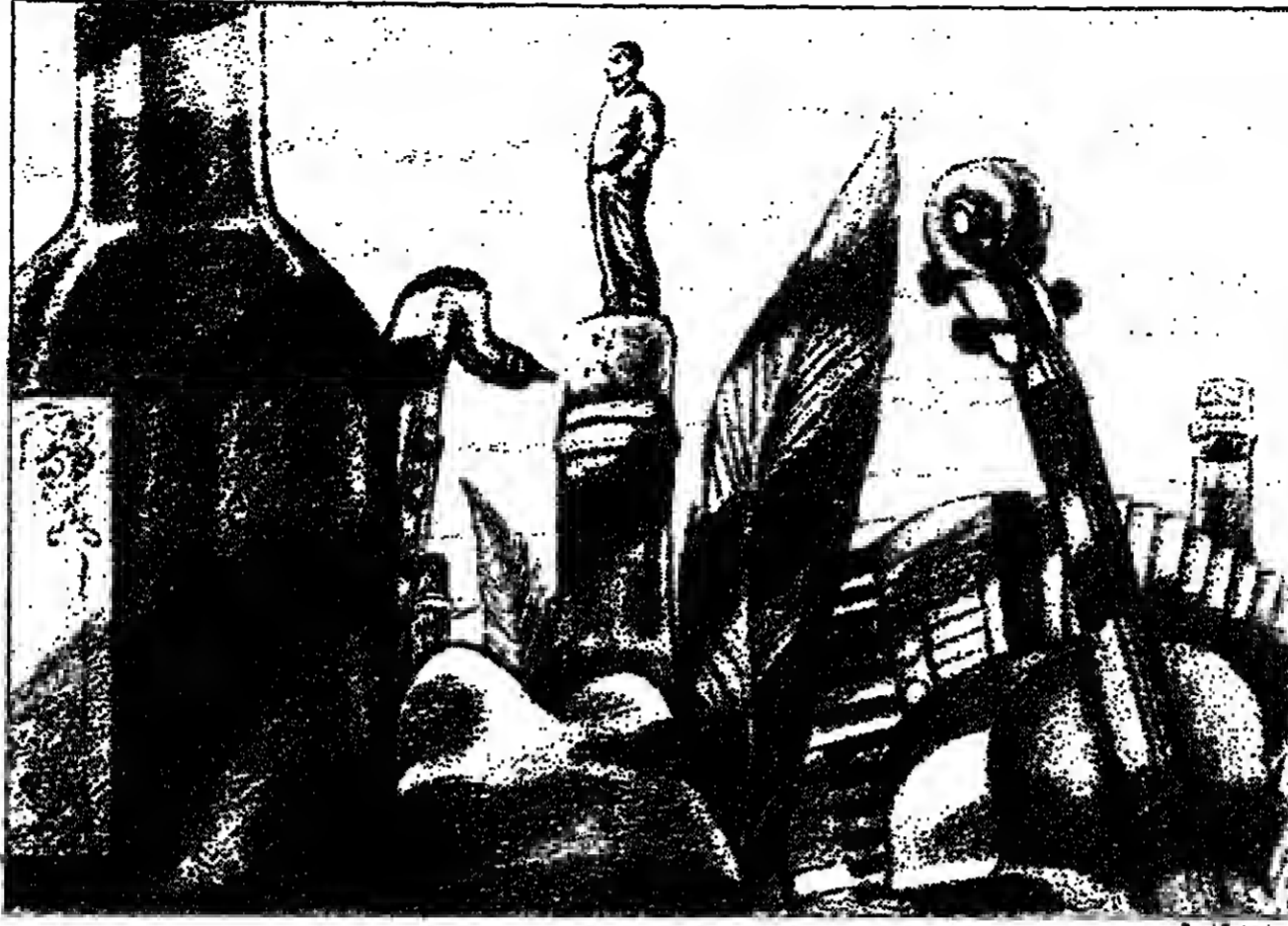
The People's Party secretary, Michael Graff, is forced to resign after saying that as long as it cannot be shown that Mr. Waldheim "strangled six Jews with his own hands," the president will be all right. Carl Hödl, another People's Party official and the deputy mayor of Linz, is also forced to resign over anti-Semitic remarks.



Kurt Waldheim

Dec. 5: Waning Support For Waldheim Signaled

The Vienna daily Die Presse reports that officials of the two ruling parties have begun soundings about a possible resignation of Mr. Waldheim. The report in the pro-Waldheim paper is seen as a signal of erosion in political support for Mr. Waldheim. Presidential officials rule out resignation.



In Pursuit of a National Identity, Austrians Grapple With History

Soul-searching has become a national neurosis.

By Traudl Lessing

VIENNA — Ask a child, ask anyone to draw an Austrian and he will produce a manikin in short leather pants and a peaked hat with a feather or the strangely heathen *gamsbart*, an upstanding brush made from the hair of the chamois, the European mountain goat.

This simplified image is more typical of the Austrians than the logos of other nations are for them. Under no circumstances would a French girl wear the red Jacobin cap of Marianne. No German nowadays would pull over his ears the nightcap that has graced the German *Misch* for centuries. No American would wear Uncle Sam's top hat and old-fashioned waistcoat.

But come the first warm days, millions of Austrians put on their national costume: colorful dirndls for women; sturdy leather lederhosen and the peaked hat with *gamsbart* for men. *Gaisern*, a town in Austria's lake area, even has an annual *gamsbart* competition.

The triumphal advance of blue jeans, washed at least once a week, has not really

been able to replace the local leather pants, which are never washed and are only considered in their prime after they have become so patinated that they can stand upright next to their owner's bed.

Local dress is not limited to casual wear. For aristocratic weddings in elegant country houses, for slipping culture at the Salzburg festival, the loden tuxedo and the ankle-length silk dirndl have become a must. A snobbish cult has developed around the national costume.

It can be said, therefore, that the Austrians see themselves as a *Homo alpinus*, an upright, honest, nature-loving breed come down from mountain pastures and high valleys and tied to their rock-studded fatherland by local customs, yodeling, skiing and Sunday hikes.

But a cult of leather pants and a chauvinistic interest in hardy mountain folk is perhaps insufficient to define a nation.

VIEWPOINT

Austria, this German-speaking remainder of a once-large empire, has wavered for long between the wish to regain former greatness — at least size — by a union with neighboring Germany, and the necessity to find an identity of its own. The Swiss, neighbors of a comparable size, never seem to ask themselves philosophic questions about their nationhood, serenely accepting that a common history within common boundaries suffices to tie four tribes with four different languages into a national bundle.

The Austrians, unlike the Swiss, who opted out of world history earlier, have never quite

managed to find their self-assurance. And now, between the election of Kurt Waldheim to the presidency and the approaching memorial year of 1988 — 50 years after the *Anschluss* — national soul-searching has become a national neurosis, and editors, psychiatrists, elder statesmen and sociologists have filled a

Continued on page 8

Austerity and Realism

Waldheim Affair, Economic Changes Create Turbulence

By Henry Tanner

VIENNA — For a small country that cherishes coziness and likes to pretend that it is untouched by the world's tensions, Austria is having a decidedly turbulent time.

It is a country in flux on several fronts, the discomfort going behind the international furor over the continued tenure of President Kurt Waldheim.

For the first time since it regained its independence in 1955, the national economic and social order is being radically transformed. The Austrian welfare state, once proudly hailed as a model for others, is being scaled down in an effort to reduce the towering public debt and make Austrian industries competitive before the European Community abolishes internal tariffs in 1992.

Full employment, once the cornerstone of the "Austrian model," has been scrapped, and aides to Chancellor Franz Vranitzky, a Socialist, now speak of the need for a "cushion of unemployment," a phrase that old-school Austrian Socialists, remembering Bruno Kreisky, another Socialist chancellor, call heresy.

The new catchwords are austerity and realism, as the center-left coalition, the product of last year's inconclusive election, struggles to preserve what it can of the system of social benefits and labor peace created at the time of the economic miracle.

Even old age pensions are "no longer sacred cows," a government official says. State-owned heavy industries, the "unsinkable ships" of the Kreisky era, are being privatized, and some of those that are not viable are being closed down.

Other certainties also are vanishing. Mr. Kreisky's policy of "activist" neutrality, with controversial initiatives in the Middle East and Eastern Europe, has been quietly

dropped. Mr. Vranitzky and Deputy Chancellor Alois Mock are calling for association with the European Community, possibly even full membership.

Such close ties with the West Europeans would not come easily to the neutral Austrians. "We dislike the Germans, look down on the Italians and find the Swiss boring," says Peter Michael Lingsens, editorialist of profile, the leading Vienna weekly.

But neither the economic restructuring, which touches jobs and daily lives, nor the European issue, which will shape the country's future, are the subjects of the most heated discussions either in public or in private.

The controversy surrounding Mr. Waldheim remains the central topic. Nearly two years after it started, "it keeps cropping up in every conversation, with friends and with strangers in pubs," a Socialist official and a rightist politician said in identical words. "It takes so much time, and it overshadows everything."

"You pretty much know what everybody thinks; when people get together, the two sides rush at each other like rugby teams wearing different-colored headbands," said another Viennese.

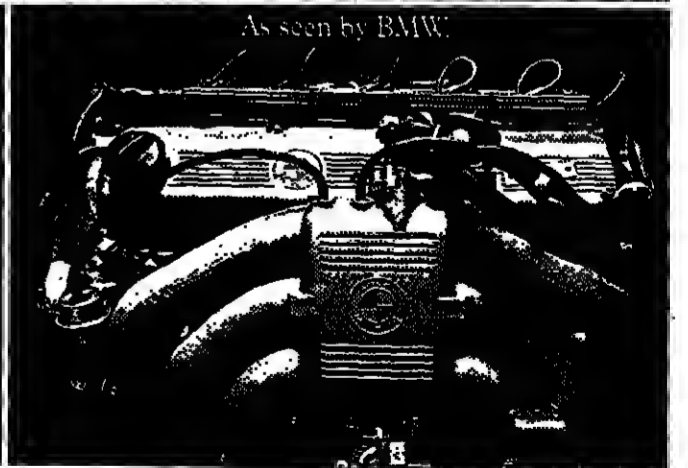
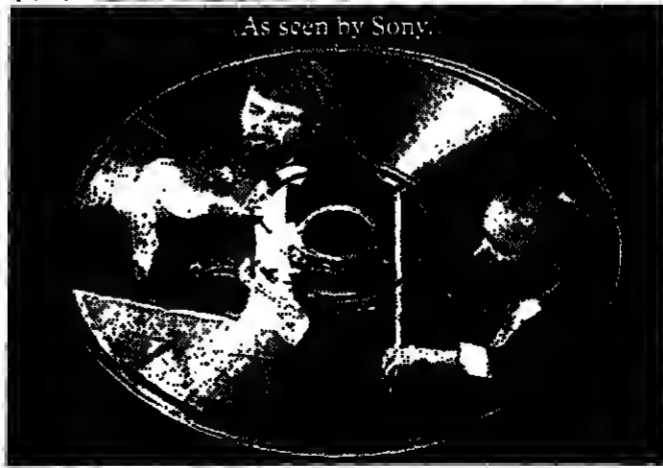
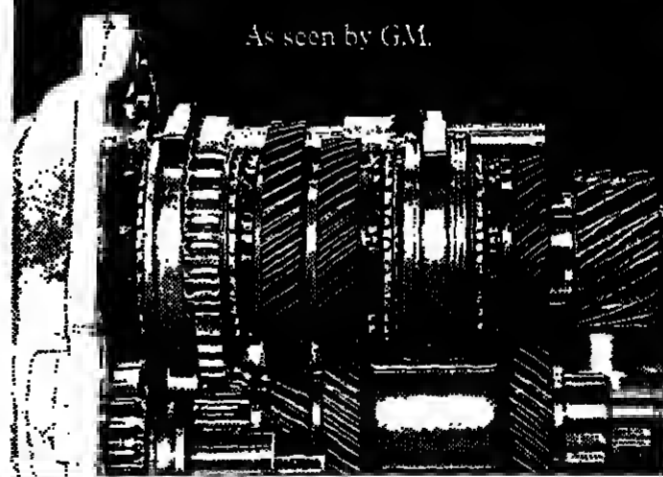
The controversy has taken a new turn in recent weeks. Mr. Waldheim's isolation has deepened.

His chief supporters in the People's Party are hurting politically. Mr. Mock, the party president, who had launched the Waldheim candidacy, is losing control of his party. The party secretary, Michael Graff, was forced to resign, against Mr. Mock's will, under pressure from provincial party leaders who found his latest anti-Semitic remark simply too much.

Even in the press, which had been aggres-

Continued on page 8

THE BEAUTY OF AUSTRIA



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Image and Identity

Waldheim Affair, Economics Create Turbulence

Continued from page 7

sively and almost unanimously pro-Waldheim, there are signs of disaffection.

For the first time, there has been serious talk that the president may be forced to resign, even though this remains unlikely. Die Presse, Vienna's one serious daily and long a consistent defender of the president, reported that discreet talks to this effect took place between the two coalition parties.

Thomas Chorherr, the paper's editor, who as late as last July took most of a full page to blame Austria's troubles on the foreign press, now says that Mr. Waldheim's voluntary resignation might be a good thing for the country but is not in the cards.

Public opinion also has been evolving. "Jetzt erst recht" ("Now more than ever") was the slogan that the managers of the Waldheim campaign tacked on to his posters when the charges of the World Jewish Congress first broke. The truculent message summed up the nation's mood at the time.

Today, the holes in this national solidarity are widening. Judging from the number of critical letters to newspapers and other indications. The national mood changed noticeably after the summer holidays, "when every second Austrian returned from Italy and elsewhere appalled by what people are saying about his country," a politician reports.

A leading editor last week ventured the guess that public opinion now is about evenly divided and that a plebiscite about the president could go either way. The question is not entirely ac-

ademic, since a popular vote or a new parliamentary election would be inevitable if the president stepped down.

As time goes on, the "Waldheim Debate" has been transformed into two separate debates. One is about the person and the office of the president. The other is a national debate about the identity of Austria and the country's role in history, about guilt and innocence during the Nazi period and also about anti-Semitism.

The two debates overlap. But the second is more important.

Many Austrians are beginning to be convinced that this larger national debate is a good thing for the country even while the controversy about the person of Mr. Waldheim is blackening Austria's image abroad.

"Waldheim is the catalyst for a national debate that we should have had 40 years ago," said Eva Novotny, an official in Mr. Vranitsky's office. "We are talking publicly about issues which up till now were the subject of a learned debate between a handful of professional historians in the privacy of their libraries."

Young Austrians, she added, have been hungry for information for a long time and many of them are now getting answers for the first time. "We are beginning to look at ourselves more critically than ever before," said Christian Cap, a Socialist member of parliament said, adding, "It is high time that we convince ourselves that Austria is more than Mozart and Gemütlichkeit."

Writers, artists, young people and plain members of the public carried the burden of the debate at the time when the politicians and most of the journal-

ists were still marching in step with Mr. Waldheim.

For two months last summer, Viennese of all ages kept a round-the-clock vigil in front of St. Stephen's Cathedral, attracting passersby at all times of the day and night and engaging them in discussions on the underlying issues of the national debate. The vigil was held in front of a plaque commemorating the Austrian resistance to the Nazis.

"Born Guilty" is the title of a drama that has been playing to capacity audiences in a Vienna experimental theater all through the fall.

In a sequence of monologues and dialogues, actors representing the children and grand-children of Nazis act out in stark emotional detail how they discovered the guilt of their fathers and how they coped with being "the son (or daughter) of a murderer." The play is a powerful adaptation of a book of recorded real-life interviews. The author, Peter Sichrovsky, is a 40-year-old Viennese Jew who went to live in Germany and has returned, albeit with trepidation.

IN another part of town, at the Akademie Theater, full houses are applauding a revival of "Herr Karl," an evening-length monologue by an aging Viennese Everyman recounting the personal betrayals and political opportunism that made his life. "Herr Karl" was the creation of Helmut Qualtinger, an actor of poet who died a year ago. Many ad expected the play to die with him. Several introspective books about contemporary Austria, often by young authors, have the place of honor on the counters of Viennese libraries.

One, called "Essay on Austria" by Josef Haslinger, includes an incisive analysis of the part of Mr. Waldheim's strategy that many Austrians feel inflicted the deepest and most lasting damage on the nation — namely, his repeated assertions that "like hundreds of thousands of other Austrians, I did nothing but my duty as a soldier."

This, Mr. Haslinger argues, was a cruel hoax as well as blackmail. It misrepresented the charges against the president by twisting them into an accusation against all Austrians who had served in the German Wehrmacht. The result, Mr. Haslinger says, was a forced unreal solidarity wrung from every citizen who had to fear that if Mr. Waldheim could be accused for doing his duty, so could he.

The growing impression that they have been "hijacked" into Mr. Waldheim's own personal scheme of guilt by association, as one Viennese writer put it, is one of the reasons why an increasing number of Austrians feel mounting resentment against their president.

Some long-standing taboos and alibis have been eroded if not removed in the course of the national debate. One of these taboos is anti-Semitism and the discussion of anti-Semitism.

There have been opinion polls and investigations by newspapers that registered the rise in anti-Semitism in the wake of the charges by the World Jewish Congress.

When the weekly Wochenpresse denied the existence of renewed anti-Semitism, its rival, offered proof to the contrary by printing a full page of crudely anti-Semitic imprecations that had been phoned in in the switchboard

of Austrian television after a program on "Jewish-Christian reconciliation."

Cardinal Franz Koenig, one of the most respected Austrians, spoke up to deplore the re-emergence of anti-Semitism and appeal to Austrian Catholics to re-dedicate themselves to the spirit of tolerance.

In a remarkably frank speech, the cardinal also said that leading Austrian prelates, including his predecessor as archbishop of Vienna, Cardinal Theodor Innitzer, had welcomed Hitler and later regretted their error.

Cardinal Koenig, who stepped down as archbishop of the capital two years ago at the mandatory age of 80, remains a powerful moral force in the country. He has long been an exponent of liberalism in the church, in contrast to his successor, Monsignor Hans Hermann Groer, a conservative.

Liberal Catholic laymen, who have been in despair at the failure of the church hierarchy to act as a voice of moderation in the national debate, assert that the lack of official church leadership prompted Cardinal Koenig to speak up and set a personal example of candor for Austrian Catholics. The cardinal's Vienna office has been swamped with requests for copies of the speech.

The next step in the drama will come with the report of the international commission of historians who have been appointed by the government to investigate the charges against Mr. Waldheim. The report is due in January or February.

Mr. Mock has tried, but failed, to convince the commission to confine itself to the narrow question of criminal guilt. This would have made it possible



President Kurt Waldheim speaking to the press after his election to the presidency in June 1986.

to proclaim the vindication of Mr. Waldheim if, as is likely, the historians failed to come up with a war criminal's "smoking gun."

Instead, the commission has made it clear that it will look also into the broader question of what Mr. Wald-

heim knew — and concealed. On those grounds, the president is thought to be more vulnerable.

HENRY TANNER is on the staff of the International Herald Tribune.

In Pursuit of a National Identity, Austrians Grapple With History

Continued from page 7

small library with analyses of the Austrian character.

The mannikin with the leather pants and the funny hat is not a German. That much seems to be obvious to the mass of Austrians, with the exception of a few Nazis and Greater Germans and a small lunatic fringe of the skinhead type. It took Hitler, the common experience of concentration camps and the privations of World War II to make Austrians aware that they could be a nation of their own.

Through their East European-related history, they developed into a nation apart, despite a common language and culture with their German big brother, whom a majority of Austrians had received with so much enthusiasm in March 1938.

In May 1945, the Austrians quickly forgot the romantic ties that had bound them to Greater Germany. The stampede to get away

from them angered, and still angers, some Germans, and the bitter statement that "the Austrians' greatest achievement was to make the world believe that Hitler was a German and Beethoven an Austrian" is not wholly undeserved.

But creeping quietly out of the history of the Nazi years was not a total success. Too much had to be swept under the carpet and too much did not fit the picture of the Austrians as the "first victims of Nazi aggression." There were the photographs of thousands of Austrians enthusiastically greeting Hitler "the liberator" and other pictures of pleased-looking Austrians watching Jews clean pavements.

This darker side of the sybaritic, singing and dancing Austrian has found an early expression in the two truly Austrian styles — 18th-century baroque and turn-of-the-century Jugendstil. The theatrical, whipped-cream-and-curlicue baroque also delights in skulls and other paraphernalia of death. And the morbid side of Austria's Jugendstil, the deadly sweet-

ness of an overripe culture, has been discovered by the world at large in recent years, possibly because the "death-in-life" tradition seems now less absurdly and locally Austrian to Western nations used to dancing on the nuclear volcano.

The basic insecurity, the anticipation of inescapable disaster, makes the attending marvels of life so much sweeter: the turbulent madness of the waltz, the temptation of the fresh Austrian wines and the consolation of music. They are much more important to Austrians than to many other nations.

Dancing is a way of life in Austria, from the Vienna social season with about 800 balls (including dances for the bakers, the plumbers and those of individual Vienna districts), to regular dances on the village green on *Kirtag*, the day of the saint to whom the village church is dedicated.

Austrians dance at country weddings, they dance into the new year to the sound of "The Blue Danube Waltz," and they dance into old

age in booked-up dancing classes for senior citizens.

Austrians, when criticized as a nation, have often pointed to the fact that "After all, we've had Mozart and Beethoven," as if this were a merit not to be clouded by small weaknesses.

What makes Austria a country where music seems ever-present are the thousands of village, fire brigade and railroad workers' brass bands, and the small town, trade union and church choirs, where hard-working citizens spend their free time laboring into the night in order to be able to play a marching tune without a false note or sing an ancient fugue for four to six voices.

All of Austria was up in arms when an American television report in the 1960s painted the Austrians as a bunch of whipped-cream eaters who leaned on their shovels like workers' monuments instead of charging ahead into modern times.

In the meantime, Austrians have learned to live with their image as gluttons. They have

successfully resisted *nouvelle cuisine*, have never forsaken their dumplings, roast pork, Hungarian-style *gulyas* and heavy sweets, and die of heart disease from overweight more often than from liver complaints, which speaks for the quality of the light Austrian wines and not for the nation's abstemiousness.

So who are the Austrians? Even National Day does not produce a heroic profile before a background of crackling flags. The choice of date gives rise to doubt: In polls, a majority insists that Oct. 26 was chosen because "that was the day in 1955 when the last Russian soldier left the country." Wrong. It was the day when the Austrian parliament unanimously accepted "everlasting neutrality."

The celebrations traditionally consist of a hike. People assemble around 9 A.M., and the federal president wishes a happy holiday over the radio and sends the marchers off. Chatting, munching sandwiches and trying to untangle dogs' leashes and pram wheels, rows upon rows of citizens wind through the Vienna Woods,

the Salzburg hills or up the steep slopes of Innsbruck. At the end, every finisher receives a pin, confirming that he walked six miles (10 kilometers).

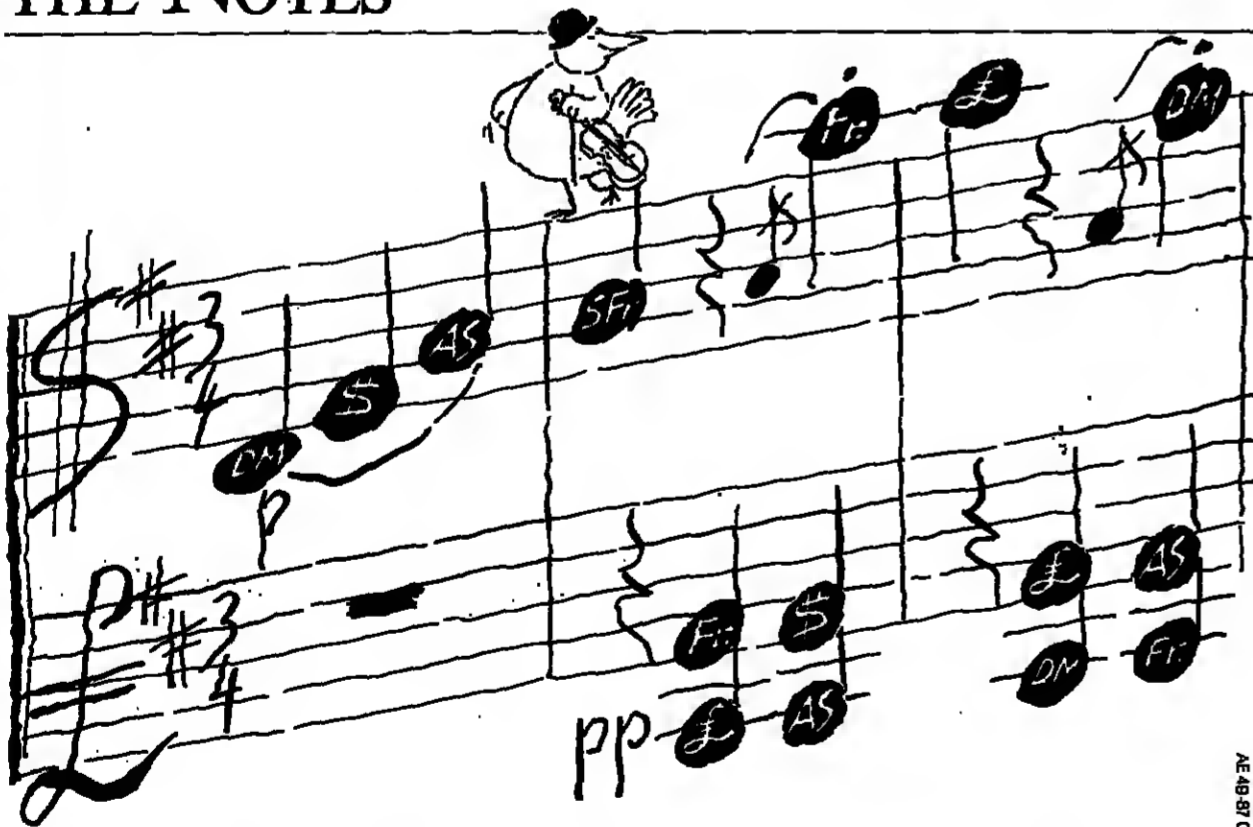
This peaceful, friendly event hides a deep uncertainty about the past: What should Austria celebrate?

Is Nazi war past? That has been declared unhistorical. The Austrian-Fascist days of 1934 to 1938? God forbid. The good old emperor? Republican Austria knows that the empire was not exclusively Empress Sissy and dancing countesses.

What can be celebrated is a perfect understatement: a small nation in a small country groping its way toward self-sufficiency and self-made neutrality and hoping for a place, not in Greater Germany, but in Greater Europe.

TRAUDL LESSING, an Austrian journalist who lives in Vienna, is a special correspondent for Time magazine.

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East or West? Debate Renews on Approach To EC Membership

By Dennison Rusinow

VIENNA — Intimately bound to the West by sentiment, ideology and institutions, geographically vulnerable and historically linked to the East, and constitutionally obligated to permanent neutrality, the Austrians sometimes feel lonely and insecure. Today, these sentiments have a highly practical and primarily economic focus. After several years on the back burner of public consciousness and the political agenda, Austria's relationship to the European Community is again a hotly debated issue. Some who favor closer links or full membership are defining it as a critical choice "between isolation and integration."

The question has been reopened by an increasing awareness of the economic costs and personal inconveniences of nonmembership, and by concern that these will increase substantially as the EC moves toward the unified "internal market" that its members are pledged to achieve by 1992.

The answer of most Austrian decision-makers used to be that Austrian membership in the looser European Free Trade Association (EFTA) and Vienna's 1972 free trade agreement with the EC were as much as the economy needed and all that a strict interpretation of Austria's "permanent neutrality on the Swiss model" would allow.

This has changed since the Socialist Party and the conservative People's Party formed a "grand coalition" under Chancellor Franz Vranitzky, a Socialist, last January, and the pace of change has accelerated in the past two months.

"Austria wants to participate fully and comprehensively in the internal market," is how Manfred Scheich, who heads the Foreign Ministry's department for international economic relations, summarizes the government's position. Six weeks ago, Mr. Scheich, who also directs an interministerial "working group for European integration," created last February, could also tell a visiting reporter that full membership in the EC "is not a government policy."

Critics have been saying that the EC is bound to reject participation without membership as an unacceptable Viennese attempt "to pick the raisins out of the cake," the Austrian phrase for attempting to have one's cake and eat it too. In response, government officials emphasized that theirs is a "global approach" in which they are prepared to swallow the whole internal market concept, including unappetizing parts like contributions for the community's less-developed regions and its costly Common Agricultural Policy.

In evidence of their earnestness, they cite a new rule that all relevant draft legislation must

include a clause describing its compatibility with existing EC norms. Steps to bring Austrian product standards into conformity with EC standards are also said to be in advance of those of other EFTA and some EC members. (The EFTA groups Austria, Finland, Iceland, Norway, Sweden and Switzerland.)

Now, the government's position, reviewed at a cabinet meeting on Dec. 1 and confirmed in two subsequent statements by Foreign Minister Alois Mock, seems to have taken another step: EC membership "is not excluded" and would be compatible with neutrality as presently construed.

For some Austrian commentators, this Viennese hesitation waltz with the EC is evidence that the coalition still does not know or is divided about what it really wants. For others, it is a sensible (or devious) strategy to prepare business and public opinion for future membership. Also, negotiations that do not have membership as their declared aim are considered easier for both partners.

Mr. Mock may have had the second interpretation in mind when he told a gathering of experts on Dec. 3: "Today, we can observe a dynamism and enthusiasm for integration that was unimaginable two years ago."

Another reason for the hesitation is a question that has hovered over Austrian foreign relations since 1955: What kinds of international economic or other associations and commitments are compatible with the country's "permanent neutrality," and in whose eyes? In 1955, the Austrian parliament adopted a constitutional law pledging "permanent neutrality" as a voluntary quid pro quo for the state treaty that had just restored the country's full sovereignty after 10 postwar years of four-power Allied occupation.

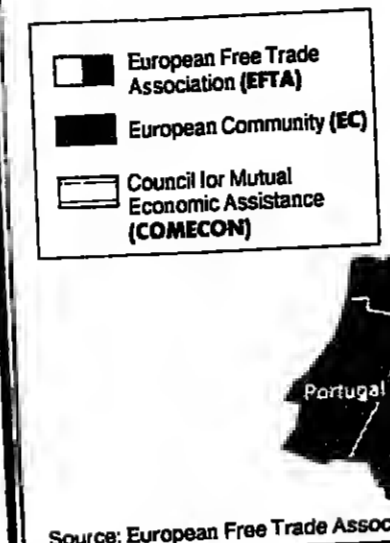
Austrian governments have consistently defined their version of neutrality, which they call "active," far more broadly than their Swiss neighbors. They joined and have played an active role in the United Nations, and tend to speak up loudly on far-flung international issues.

LIKE THE comforting presence of 1,300 international civil servants in the towers of Vienna's "UN city," these activities are regarded as a little reinsurance, through high visibility, that neutrality will be respected despite Austria's small size and defenseless position between the Warsaw Pact and the North Atlantic Treaty Organization.

Whether joining the EC would also be compatible with permanent neutrality is open to challenge because the EC aspires to political (and someday perhaps military) as well as economic integration. At least this is what the Soviet Union, claiming a right to object as a signatory of the 1955 state treaty, has previously

Trade: On the Edge of the EC

Austria's trade with the European Community heavily outweighs trade with all other partners. As the EC moves to achieve a barrier-free internal market in 1992, nonparticipation could put Austria, a member of the European Free Trade Association, increasingly at a disadvantage.



Source: European Free Trade Association

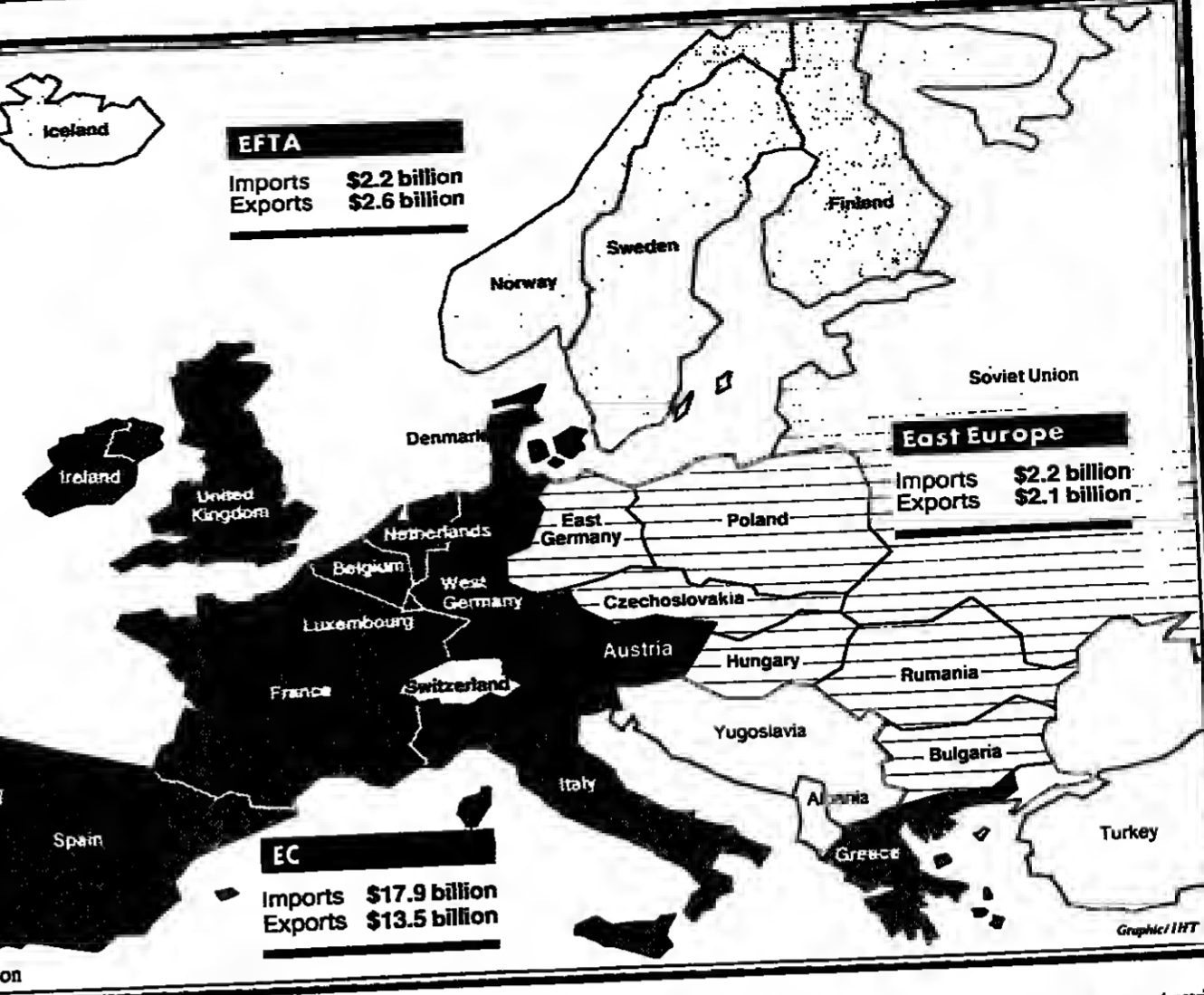
reminded the Austrians whenever they thought about it.

Austrians who believe in a special East-West bridging role for a strictly neutral Austria, or who fear that their businesses or jobs may be endangered in a larger, more competitive European market, have tended to agree.

So Austria has remained in the EFTA while other members defected to the EC, and the EFTA has shrunk to a six-member Nordic and Alpine club.

There are several reasons why the EC question is again active and hotter than before. The relative isolation of Austria's economic policies and market, which has allowed small-scale or inefficient enterprises and the Austrians' anti-competitive business ethos to enjoy greater protection than would be possible within the EC, may once have had virtues. But this is no longer true. The country's troubled and over-protected economy badly needs restructuring, modernization and greater cost-efficiency.

Many Austrians feel that only full integration in a larger market will provide the necessary means and goals for real competition. They believe that new technologies and foreign investments will come to Austria only if the products are certain of nondiscriminatory access to a larger market.



The costs of outsider status are already large. A survey of retail prices for a broad range of consumer durables by the Austrian Chamber of Labor in December 1986 found that these were on average 24.16 percent higher in Vienna than in Munich.

The EC is pledged to eliminate the remaining mountain of nontariff barriers and other obstacles to free movement for labor, capital, goods and services and to bring about a unified internal market among its 12 members by 1992. Even if this is only partly achieved, as most are predicting, movement in this direction will certainly multiply the penalties of nonparticipation for Austria's small economy and small population of 7.5 million, which is heavily dependent for its livelihood on trade with the EC.

Thomas Oliva, an expert on Austrian consumer industries, summarized the consequences: "The price for being different is getting too high, and people are voting with their feet." They are doing so by buying and investing beyond Austria's borders, which are only a short drive from almost anywhere in the country.

Eastern Austrians shop in Hungary, contributing to the special relationship that has been developing between Vienna and Budapest.

Western Austrians head for West Germany or Italy, which explains why western Austrian business and political leaders tend to be leading advocates of EC membership.

Key groups like the Socialist Party and the Federal Economic Chamber, formerly reluctant to consider closer EC links or membership, have apparently been coming to the same conclusion. On Dec. 9, the economic chamber, a powerful "social partner" in the Austrian system and traditional defender of small businesses fearful of bigger markets and competition, was asked to approve a "position on European integration," which bluntly states that "membership is... the goal for Austria."

Pro-EC Austrians also note that other members of the EFTA are considering Common Market membership, or have less compelling reasons than Austria to do so, such as Switzerland, Sweden and Finland, because companies domiciled in the EC but owned by their nationals already give them insider access to the internal market where it is needed.

In the context of Moscow's new look in economic and foreign policy and the Soviet bloc's own overtures to the EC to establish links with COCOM, Moscow's failure to disprove the idea — as yet — encourages suspi-

cions that it would not oppose an Austrian application for EC membership.

Some observers believe that the EC and Austria are readier for each other than ever before because expanding EC-EFTA trade is more important to both groups — the EFTA is already the biggest buyer of EC exports — in a period when alternative export markets are shrinking or stagnating.

Two major impediments remain. The EC has displayed a clear preference for a global approach with all EFTA countries, but these are pursuing widely divergent strategies and aims. Although unwilling to take a clear position until Austria has made a formal approach, EC officials are signaling that integration in the internal market without membership is probably unacceptable.

Although the EC is unwilling to take a position until Austria has made a formal approach, the community is still busy digesting its newest members, Spain and Portugal, and is displaying no eagerness to take on more.

DENNISON RUSINOW, a writer based in Vienna, has reported for the *Universities Field Staff International* on Central and Eastern Europe since 1963.

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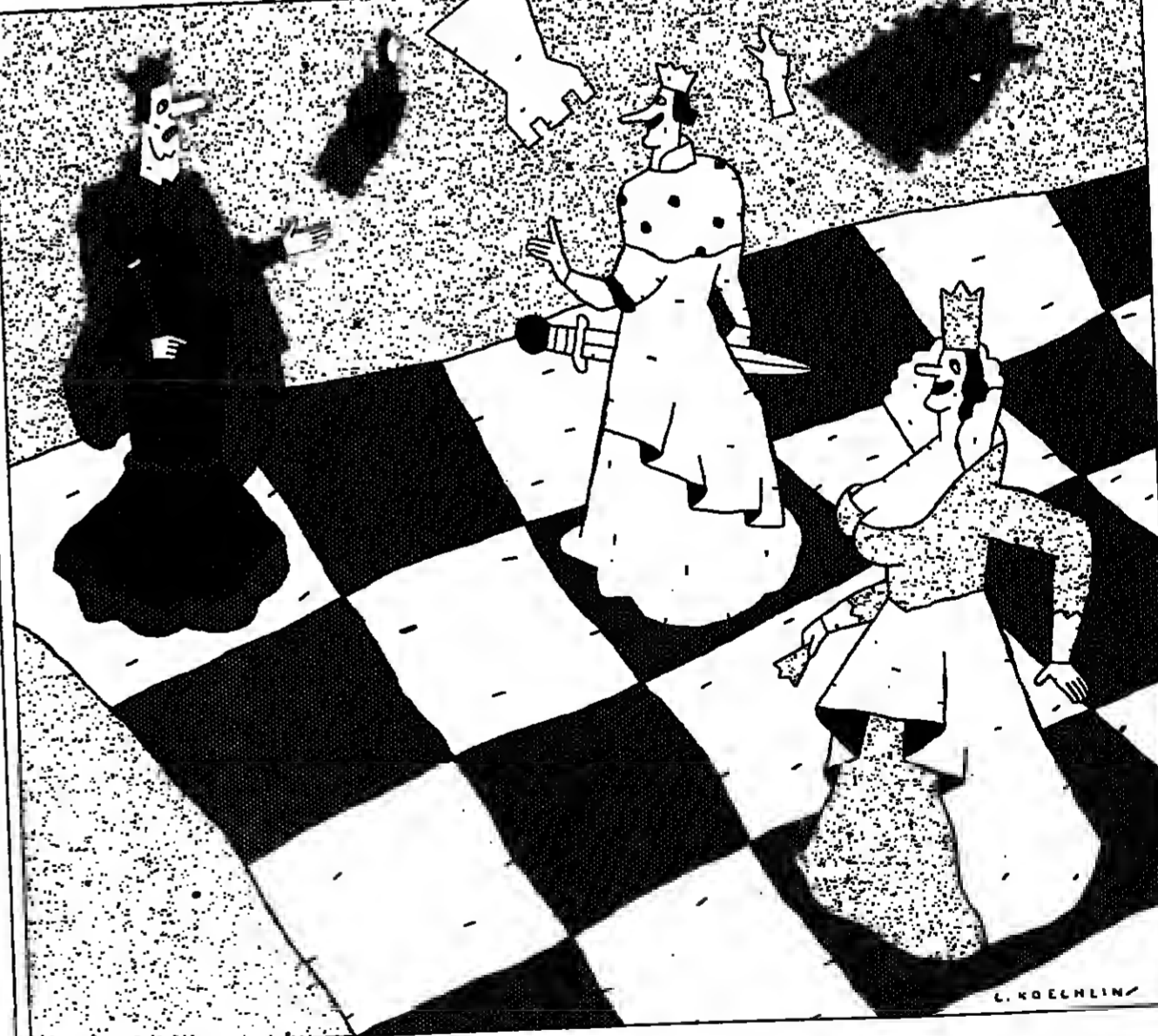
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Industry Takes the Painful Pill of Privatization and Restructuring

By Ferdinand Protzman

VIENNA — Over the years, resisting change has become something of an Austrian hallmark, one raised nearly to an art form by practitioners such as Metternich and Kaiser Franz Josef. Franz Josef earned special distinction in foot-dragging by refusing for years to allow installation of electricity or telephones in his Hofburg Palace in Vienna. For Metternich, change was just intrinsically bad, the sort of thing promoted by upstarts like Napoleon. Those stalwarts of the status quo would undoubtedly frown on the transformation of

Austria's economy currently under way. Chancellor Franz Vranitzky's coalition government is privatizing large chunks of the sprawling and often unprofitable state-owned heavy industry, restructuring much of what remains and cautiously pruning the nation's comprehensive social net. Unlike the Austrian historical figures mentioned above, Mr. Vranitzky, a member of the Socialist Party, is not a stonewaller. The government unveiled a package of budget-reduction measures in September that drew heavy criticism from many rank-and-file Socialists, as well as from former Chancellor Bruno Kreisky, the party's senior figure. Despite the clamor, Mr. Vranitzky did not flinch.

"We are not going to jump back from this," he said. "Rather, we are going to push ahead with what has been announced." He has lived up to his words. Despite the current turmoil in the global financial markets, the government has not changed its timetable for privatization. It has already successfully kicked off the campaign with the sale of shares in its profitable oil company. A capital increase at Oesterreichische Länderbank AG, the nation's second largest bank, is under way. The government, which holds 60 percent of the bank's equity, will not participate, in effect allowing its stake to drop to the legal maximum, 51 percent, by letting the public buy the new shares.

In 1988, the government will also reduce its stake in Creditanstalt-Bankverein AG to 51 percent from 60 percent. Interests in Austrian Airlines, the national flag-carrier, and the state-owned electric utility company will be listed on the Vienna Stock Exchange. The state-owned steel company will also undergo restructuring. The economic transition, economists and government officials said, is painful, promising and unavoidable. The bottom line, they said, is that much of Austria's state-owned industry has no viable alternative to radical surgery if it is going to survive and compete on an international scale. And without changes in the state sector, which accounts for 20 percent of the

nation's industrial production, the economy faces serious trouble. It is already having problems. In the first six months of 1987, Austria's gross domestic product grew a scant 0.6 percent from the year-earlier period. For the full year, Georg Busch, an economist with the Oesterreichische Institut für Wirtschaftsforschung (Austrian Economic Research Institute) in Vienna, projects that GDP, which measures a nation's total output of goods and services, will grow between 0.5 and 1 percent, down from 1.7 percent growth in 1986. Because of heavy losses in the state sector, Austria's budget deficit swelled to 106.7 billion schillings (about \$9.287 billion) in 1986, and is expected to be much higher this year. While deficits were tolerated as the price of full employment, which Austria enjoyed under Mr. Kreisky's tenure in the 1970s, they began to grow out of control in the 1980s. Now the government is counting on revenue from its privatization package to raise about 16 billion schillings, helping to push the budget deficit down to around 70 billion schillings in 1988. Spending cuts and tax reforms will provide the remainder of the savings in the 1988 budget.

not necessarily better. We should have adapted to market conditions much sooner." "The state industries got into trouble because they operate in basic goods, like steel," said Mr. Busch. "These industries have problems everywhere because of fierce competition from low labor-cost countries like Korea and Taiwan. At the same time, however, the service sector has flourished and there is considerable potential there."

Heavy losses in the state sector have swollen the budget deficit.

"The problems of the state sector are really a political issue as much as an economic one," Mr. Busch added. "Conservatives say do away with nationalization altogether. Let's go private. The state is a bad entrepreneur. The Socialists still see value in the state taking the lead in realizing macroeconomic goals."

DESPITE the debate on the merits of privatization, and the global stock market crash in late October, the government has pressed ahead. But sniping, primarily from within the Socialist ranks, has continued, even as the first company, Oesterreichische Mineralöl Verwaltungen AG, the profitable oil company that has Austria's only crude oil refinery, was brought to the bourse in mid-November.

"To be honest, I thought the government should have delayed the OMV sale because of the stock market crash," said a Viennese banker, who asked not to be identified. "Given the importance it held for the remainder of the privatization, the historical reluctance of Austrians to buy equities and the panic atmosphere in the global stock markets, the timing seemed very bad."

Boostered by an advertising campaign, a 40-percent reduction in volume and a per-share price lowered to 4,400 schillings from 5,000 schillings, the sale turned out to be a triumph for the government. It was closed after just three days, oversubscribed by 200 percent. Surprisingly, domestic investors were the primary buyers. Because of the altered conditions, however, it brought in less money than expected.

But observers said the main point was that the sale showed the government could react quickly and decisively to sudden changes in market conditions, which is dominated these days by the same inventions, telephones and electricity, that Kaiser Franz Josef resisted.

FERDINAND PROTZMAN, a staff correspondent of the International Herald Tribune, is based in Frankfurt.

Researchers Stake Out Claim in World Technology

By David Hermges

VIENNA — Almost without knowing how it happened, Austria has found itself thrust into the forefront of a technological advance that will probably transform much of the country's traditional industrial structure. Many years, in some cases several decades, of basic research and development are now coming to fruition. A picture is emerging of a small European country that can stand tall in world technology, whether in space exploration or AIDS research. But just when this will happen depends a lot on funding.

A report by the Organization for Economic Cooperation and Development on Austrian research and technology criticizes the low level of endowment. In the current year, a mere 1.31 percent of gross domestic product has been spent on research and development, a much lower figure than in the United States or West Germany. The estimate for 1990 is still only 1.5 percent of GDP, coming in roughly equal parts from the state and private industry.

The urgency for adopting a more generous approach was underlined by two events this year: Austria's decision to go ahead with full membership in the European Space Agency (ESA), and the country's agreement to participate in 16 (out of 165) projects launched by EUREKA, the European research initiative. In each case, there is a guaranteed flowback of funds into Austrian industry.

Heading the list of enterprises standing to benefit from these developments is ORS, the Austrian aerospace company, successor to the consortium that built the viewport (window) for Spacelab. With the coming of long-duration space travel, ORS is working on life-support systems, including those for plant growth, breath regeneration and human waste processing, "motored" by sunlight.

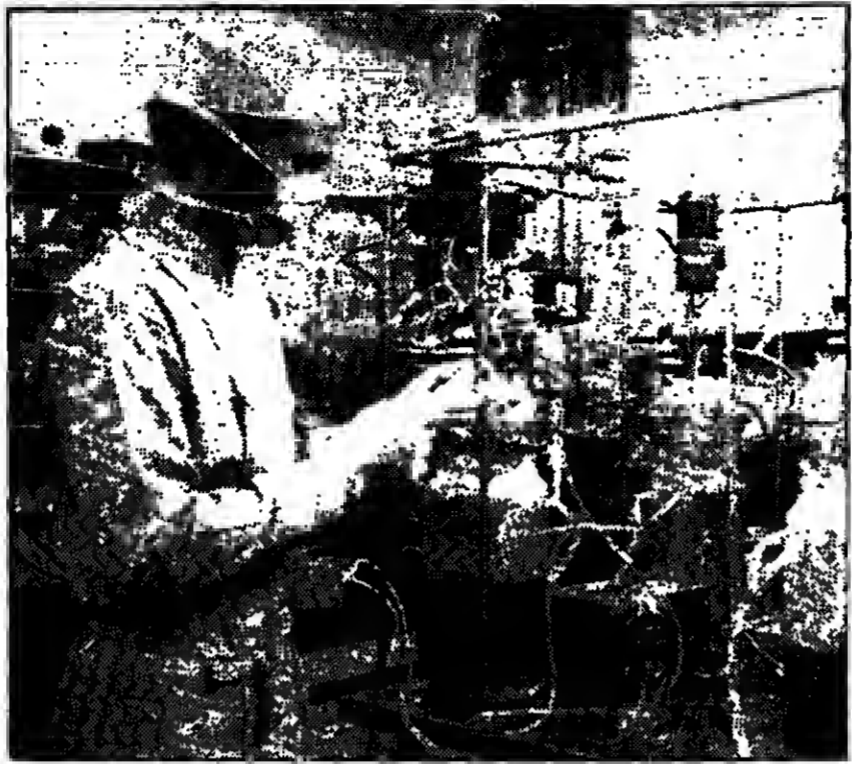
Space communications is another niche in which Austria has found a firm foothold, including the Eurotaser project within EUREKA. As far as earth-based communications are concerned, Austria already has one of the most advanced data-transmission networks anywhere in Europe, and a pilot test for the introduction of ISDN (the Integrated Services Digital Network) is to be started in 1988. For this, four firms that otherwise compete on the market — Alcatel, Kapsch, Schrack and Siemens — have formed a joint development company, OFEG, with the Austrian PTT.

Noce of these achievements would be possible without broad-based support from the country's technical universities, particularly those in Vienna and Graz. A cluster of firms in and around Graz all concentrating on telecommunications and micro-electronics, including the production by AMS of customized chips, provide chances for turning the south of the province of Styria into a sort of miniature Silicon Valley.

The giant Austrian steel and engineering conglomerate Voest-Alpine has responded by changing its product line accordingly. One of its biggest recent successes has been the development (together with Honeywell Bull) of a computer software protection method known as SOFT SEAL, which eliminates the possibility of producing pirated copies of expensively produced programs.

The western province of Tirol, better known for its mountain resorts, also has a striking high technology reputation. Metallwerk Plansee, which has been a world leader in powder-metallurgy since the 1960s, has now started introducing advanced technologies into its production line. Plansee is switching its long-standing reliance on semi-finished products in cemented carbides ("hard metals") to fully fabricated parts, such as X-ray tubes.

Also operating in Tirol is Biochemie, whose researchers developed the first oral penicillin, marketed under the name



A lab at Immuno's Biomedical Research Center east of Vienna.

Ospen. More recently, the company has become known for its industrial-scale production of Interferon using biotechnological processes.

Worldwide attention was attracted earlier this year by the Lower Austrian company Immuno, which announced an advance to the fight against Acquired Immune Deficiency Syndrome. Immuno, which has been producing a variety of vaccines since the 1950s, said it had now developed a prototype vaccine antigen, GP 160, which

causes the formation of antibodies resulting in neutralization of the AIDS virus in vitro.

Immuno is also among the Austrian companies engaged in the EUREKA project for research into biotechnological mass-cell cultures.

DAVID HERMGES, a Vienna-based journalist, reports for Radio Austria International.

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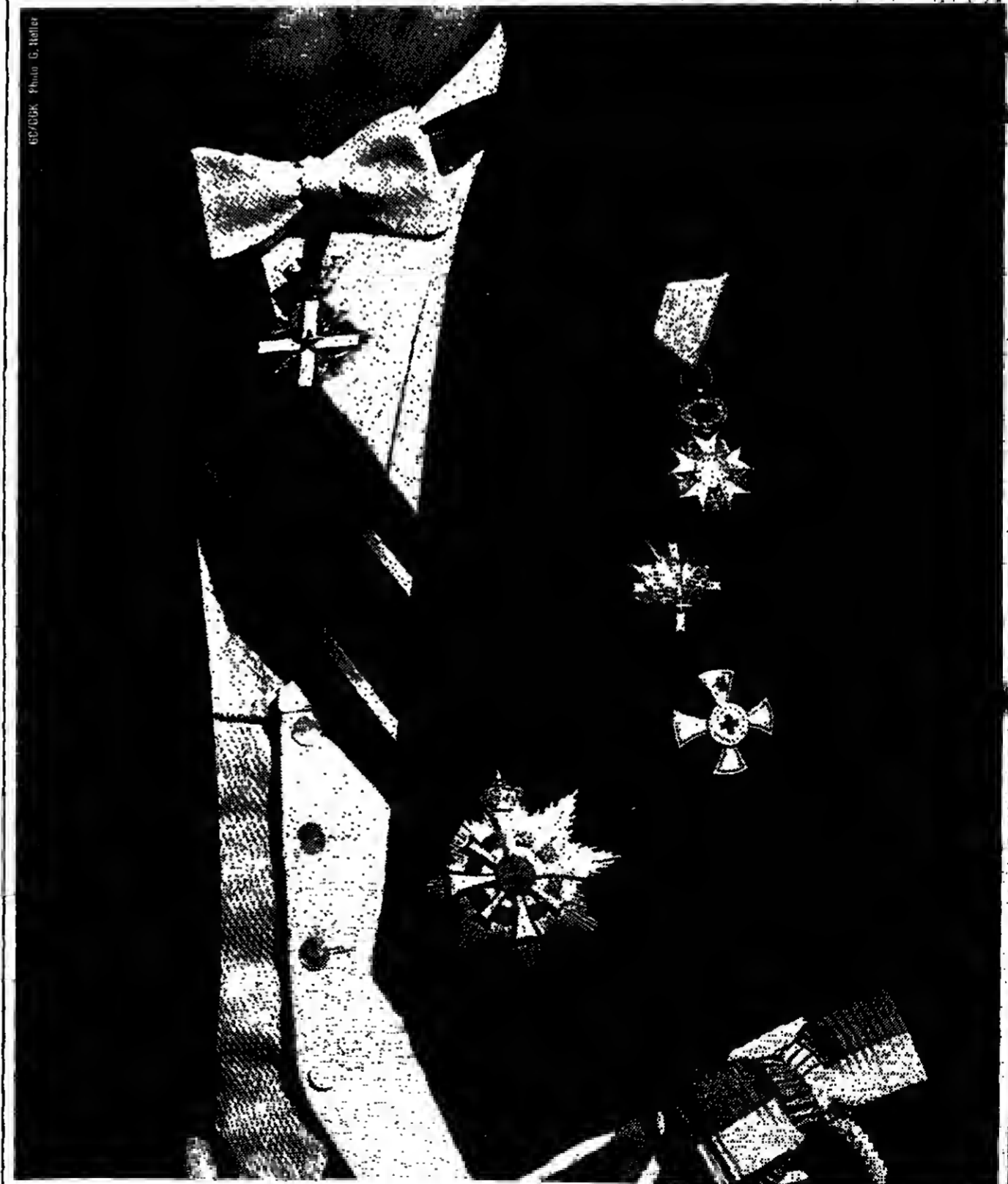


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Statistics Index

Table listing various statistics such as ANEX prices, Euro-CP, Gold markets, etc.

SATURDAY-SUNDAY, DECEMBER 19-20, 1987

ECONOMIC SCENE

Steadying Markets No Sign That World Crisis Is Over

By LEONARD SILK. NEW YORK — Although the securities markets have steadied in recent weeks, there are plenty of signs that the danger to the international economy is anything but over.

World debt problem appears to be worsening. Oil prices, in the aftermath of a flimsy price and production agreement by the Organization of Petroleum Exporting Countries, have plunged below \$16 a barrel — good news to consumers and financial markets, but alarming to producers and industrial nations.

Thirty-three economists from 13 countries, assembled by the Institute for International Economics in Washington, have issued a warning that there is still "something seriously wrong with the world economy." Two financial shocks have given very strong evidence of the gravity of the problem: the fall of the bond market by 30 percent in the early months of 1987 and the fall of stock markets around the world by 20 to 30 percent this fall.

Economists from 13 countries say something is seriously wrong.

Finance Chief Out In Brazil

Bresser Pereira, Angered, Resigns

BRASILIA — Finance Minister Luiz Carlos Bresser Pereira, the world's most indebted developing nation, resigned Friday after failing to persuade President José Sarney to cut government spending and raise taxes for the wealthy.

A spokesman confirmed the resignation of the former professor of economics. He had been in the post less than eight months. No successor was named.

Like his predecessors, Mr. Bresser Pereira, Brazil's third finance minister in its 34 months of democratic rule, could not produce the formula needed to ease the burden of its \$113 billion foreign debt. Only the United States is more heavily indebted.



The cover of a mailing, containing the Soviet newspaper Pravda, that was sent by Philip Morris U.S.A. to American newspaper editors.

Philip Morris's Pravda-cative Point

Cigarette Maker Uses Journal to Send a Message on Ads

By Richard W. Stevenson. NEW YORK — Pravda does not carry cigarette ads. But last month it became a vehicle for the largest U.S. tobacco company, Philip Morris Cos.

BP Begins Offer For Britoil but Veto Is Declared

By Warren Gledler. LONDON — British Petroleum Co. said Friday that it would begin a \$2.27 billion (\$4.17 billion) offer for Britoil PLC, but the government said it would exercise its right to block the oil giant from gaining control of Britoil's board.

Hutton Said to Cut Jobs

LONDON — U.S. broker E.F. Hutton Group has laid off more than 300 of its 400 staff in London, dealers at the company said on Friday.

Currency Rates

Table showing currency rates for various countries including Amsterdam, Brussels, Frankfurt, etc.

Oil Decline Will Save U.S. Billions, but Is a Mixed Blessing

By Barnaby J. Feder. NEW YORK — American consumers will see billions of dollars next year and inflation will slow because of OPEC's inability to curb its members' crude oil production, according to oil industry analysts.

Path of Oil Prices



Countries' failure to reach an effective agreement would lead to the kind of glut that sent spot crude prices plunging in the summer of 1986 to about \$9 a barrel and, by some estimates, saved American consumers \$26 billion in gasoline bills alone last year.

Interest Rates

Table showing interest rates for Eurocurrency deposits, U.S. money market funds, and gold prices.

Higher Energy Costs Boost U.S. Prices by 0.3%

WASHINGTON — U.S. consumer prices rose a moderate 0.3 percent in November compared with October as energy costs inched upward after two months of declines, the government said Friday.

Advertisement for HARRY WINSTON jewelry, featuring 'Rare jewels of the world' and 'Present during Christmas and New Year their latest collection at the Palace Hotel in Gstaad and the Badrut's Palace in St Moritz'.

Large vertical advertisement on the left side of the page, partially obscured, mentioning 'Classy 1988' and 'Special in-flight'.

Friday's NYSE Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

Table with columns: 12 Month High Low, Stock, Div. Yld. PE, 52 Week High Low, Close, Change. Lists various stocks like AMER, AMER, AMER, etc.

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U.S. Futures Via The Associated Press

Table with columns: Season High, Season Low, Open, High, Low, Close, Change. Lists various futures like COCA, COCA, COCA, etc.

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Profit Jumps. Advertisement for a financial service.

Pennzoil. Advertisement for Pennzoil products.

Company Results. Advertisement for a company's financial results.

NYSE High-Lows. Advertisement for NYSE high and low prices.

Dividends. Advertisement for dividend information.

Spot Commodities. Advertisement for spot commodity prices.

U.S. Treasuries. Advertisement for U.S. Treasury securities.

Philips Tape Unit. Advertisement for Philips tape units.

AMSTERDAM - P.D. Magnetics. Advertisement for P.D. Magnetics.

Deutsche mark futures option. Advertisement for Deutsche mark futures options.

Paris Commodities

Table with columns: High, Low, Close, Change. Lists various commodities like SUGAR, SUGAR, SUGAR, etc.

London Commodities

Table with columns: High, Low, Close, Change. Lists various commodities like SUGAR, SUGAR, SUGAR, etc.

London Metals

Table with columns: High, Low, Close, Change. Lists various metals like ALUMINUM, ALUMINUM, ALUMINUM, etc.

S&P 100 Index Options

Table with columns: Call, Put, Bid, Ask, Change. Lists various S&P 100 index options.

Dividends

Table with columns: Company, Dividend, Date. Lists various companies and their dividends.

Spot Commodities

Table with columns: Commodity, Price, Change. Lists various spot commodities.

U.S. Treasuries

Table with columns: Maturity, Yield, Price. Lists various U.S. Treasury securities.

Philips Tape Unit

Ends Agfa Talks. Article discussing Philips and Agfa talks.

AMSTERDAM - P.D. Magnetics

Stock Exchange, it said that P.D. Magnetics ended talks with Agfa-Gevaert AG aimed at setting up a joint venture in which Agfa would take a 60 percent stake and Philips and Du Pont 20 percent each.

Swissair Board Approves

7 More McDonnell Jets. The Associated Press. ZURICH — Swissair, the Swiss national airline, said Friday that its board had approved the purchase of six more long-range MD-11s and an additional DC-9-81 short-haul jet in a transaction worth about 1 billion Swiss francs (\$751 million).

Deutsche mark futures option

prices were not available in this edition because of transmission delays.

Company Results

Table with columns: Company, Revenue, Profit, Per Share. Lists various companies and their financial results.

NYSE High-Lows

Table with columns: New Highs, New Lows. Lists various NYSE high and low prices.

Dividends

Table with columns: Company, Dividend, Date. Lists various companies and their dividends.

Spot Commodities

Table with columns: Commodity, Price, Change. Lists various spot commodities.

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BUSINESS ROUNDUP

Sanofi Seeks Majority in Robins

Compiled by Our Staff From Dispatches
NEW YORK — A.H. Robins Co., burdened by legal claims over the Dalkon Shield contraceptive device, has received an offer from Sanofi of France to buy more than half the pharmaceutical concern.

from creditors under the U.S. bankruptcy code in 1985 after thousands of suits were filed over the device.
Robins said Thursday that Sanofi had proposed buying a controlling interest with the right to complete the acquisition later. No terms were released.

It has already agreed to merge for \$2.6 billion.
René Sautier, president of Sanofi, said Friday that the plan would be submitted on Dec. 28 to Judge Robert Merhige of the U.S. District Court in Richmond, Virginia, where Robins is based.

Cadbury Agrees To Buy Poulain From Midial

PARIS — Cadbury-Schweppes PLC said Friday it had agreed to buy Chocolat Poulain, the French chocolate group, for 950 million French francs (\$172 million).

Philippe Midy, head of the French group Midial SA, which owns Poulain, said the agreement would provide Cadbury, a British confectionery and soft drinks group, with a foothold in Continental Europe. Cadbury is the world's third largest chocolate producer.

Poulain, founded in 1848, was bought by Midial only last year. Midial also recently sold its breakfast cereal subsidiary Nutriol Compagnie to the French subsidiary of the U.S. group Corn Products Corp. for 650 million francs.

BHP's Profit Jumps 21%

MELBOURNE — Broken Hill Pty. said Friday that higher oil output and prices pushed its net profit up nearly 21 percent in the first half of the current fiscal year, to 479.1 million Australian dollars (\$344.7 million) from 397.0 million a year earlier.

ed first-half earnings of 574.4 million dollars. After that, profits began to suffer as falling oil prices cut into revenue at its petroleum division.

Sales in the first half, ended Nov. 30, rose 10 percent to 4.85 billion dollars, from 4.4 billion in the first six months of fiscal 1986-87.

BHP also forecast strong prospects for oil in the second half, with major investments in exploration and current production of oil fields around the world.

Texaco, Pennzoil Said to Be Close to \$3 Billion Settlement

NEW YORK — An end to the four-year battle between Texaco Inc. and Pennzoil Co. appeared close on Friday, the only remaining issue being whether interest should be paid on the \$3 billion settlement figure, the counsel for the committee of Texaco's creditors said.

from April 12, the date of its bankruptcy filing, until a reorganization plan was confirmed.
Pennzoil is now seeking interest from the date of the filing until confirmation, a period of about three months. "But it's still an \$80 million item," Mr. Zweibel said.

bankruptcy trustee to represent the interests of creditors and shareholders.
The parties were brought together by Carl C. Icahn, chairman of Trans World Airlines Inc., who recently gained control of 12.3 percent of Texaco's stock, the largest block. A source close to the discussions said Mr. Icahn believed there would be an agreement by Friday.

"The settlement would be the key part of a reorganization plan that would bring Texaco out of bankruptcy court.

On Thursday, after a day of negotiations among the various parties, Texaco's board met to consider outstanding issues.

Mr. Icahn could profit handsomely from a settlement, which would probably cause the price of Texaco stock to rise. He also holds a stake in Pennzoil, believed by company officials to be about 2 percent.

"The parties are meeting and there seems to be only one open issue left, the request for interest on the \$3 billion figure," said Joel Zweibel, counsel to the creditors.

The dispute dates from 1984, when Texaco merged with Getty Oil Co. Pennzoil, which thought it had a merger agreement with Getty, sued Texaco for interference and won a \$10.3 billion judgment, the largest in U.S. legal history.

Sources close to the committees of Texaco's shareholders and creditors, which, with Pennzoil, had worked out the reorganization plan, also said they expected a settlement by Friday.

"Texaco creditors have agreed to the pact with the exception of disputed interest," he said. Committees representing both creditors and shareholders thought no interest should be paid.

Texaco was required to put up a bond in the amount of the judgment during an appeal. Unwilling to do so, and having lost a court case on the issue, it filed last April for protection from creditors under Chapter 11 of the bankruptcy code.

If all the parties agree on the settlement and reorganization plan, Texaco would be expected to emerge from bankruptcy within a few months. But even if the Texaco board withheld its approval, the plan could still be put to a vote by shareholders. (NYT, Reuters)

Debt Write-Off For Renault Said To Be Reduced

PARIS — France has scaled back its plan to write off 12 billion francs (\$2.2 billion) of debt of the automaker Renault, a move that may hurt plans to alter the company's special legal status, sources close to Finance Minister Edouard Balladur say.

GM, Its Sales Weak, Lays Off Another 2,275

DETROIT — General Motors Corp. confirmed Friday that it would phase another 2,275 workers on indefinite layoff next month to reduce bloated inventories of unsold cars.

New Jersey, plant for two weeks until Jan. 18, affecting 4,000 workers.

The top U.S. automaker said it would lay off 1,600 workers, or the second shift, at its Lakewood plant near Atlanta, which assembles large rear-wheel-drive Chevrolet sedans and wagons and Buick and Pontiac wagons.

The latest cuts mean that GM will have about 29,000 workers on temporary and indefinite layoffs during December and January.

Those four closures are part of a sweeping consolidation announced 13 months ago to cut costs and trim overall capacity to meet reduced demand for GM cars and trucks.

Another 425 workers will be cut from payrolls at its Pontiac, Michigan, plant, which assembles the Pontiac Fiero two-seater cars. The plant has suffered numerous layoffs as demand for the plastic-bodied sports car has sagged. Both measures take effect Jan. 25.

Figures include the long-planned closing this week of its aging Fleetwood and Clark Street Cadillac plants in Detroit, permanently laying off about 3,300 workers. Last week GM closed two other Michigan assembly plants, in Flint and Pontiac, eliminating 5,000 jobs.

Fokker's forecast revised an earlier outlook of a smaller loss for 1987 when it reported in August a 3.4 million guilder after-tax loss for the first half.

Before that, however, GM will lay off about 250 workers at its assembly plant in Bowling Green, Kentucky, as it slows hourly production of its Chevrolet Corvette sports car from 16 to 11 units effective Jan. 1.

On Thursday, GM extended the holiday shutdown at its Linden, New Jersey, plant for two weeks until Jan. 18, affecting 4,000 workers.

Fokker made the statement in reaction to an article in the Dutch evening daily NRC Handelsblad on Thursday, in which unnamed trade union sources put the loss at \$80 million to 100 million guilders.

BP: Veto Declared on Britoil Offer

BP made a similar approach. "With the golden share in play, I think things here have gotten a bit messy for Arco to come back and make a full bid," said Richard Anoshian, oil analyst with Chase Manhattan Securities in London.

World Cocoa Surplus Keeps Chocolate Makers Sweet

LONDON — Chocolate makers are enjoying a bumper year as low cocoa prices bring higher profits and sales.

Trade analysts also see signs this Christmas that the solid chocolate bar may be making a comeback, after a period when cereal-filled bars took more of the market.

Jim Joseph, oil analyst with James Capel & Co., said the situation appeared confused, noting that the Takeover Panel had yet to review an offer where the golden share provision had been invoked.

But for cash-pinned Third World producers of cocoa beans, the analysts added, demand is not likely to rise enough to erase the surplus that helped send prices plunging earlier this month to five-year lows.

British chocolate sales are up 3 to 4 percent from 1986 levels because manufacturers have been able to avoid retail price rises. Chocolate seems a better value, so people are starting to eat more of it, industry sources said.

BOESKY: Gets 3-Year Term

Defense lawyers to be a lenient sentence.

"We are seeing real growth because there have been no price rises, and none is likely in the next 12 months with the cost of cocoa still low," one analyst said.

With cocoa prices expected to remain under pressure, prospects also look bright for manufacturers in 1988, said John Elston, an analyst with the stockbrokerage James Capel.

The judge warned Mr. Boesky in April, however, that "although various judges have various reputations," he had "the authority and responsibility of deciding whether you should receive up to the maximum."

"It is doing so, realizing full well that it is not going to have control of the company. But if it does acquire 100 percent of the beneficial shares outstanding, I would expect the government in 18 months or so to withdraw the golden share."

Demand is not growing fast enough to erase the surplus. Unless bad weather hits more than one major growing region, analysts said, another surplus is expected for 1988.

In seeking leniency, the defense called Mr. Boesky a "broken man," saying he had been disbarred as a lawyer, shunned by former associates, vilified in the press and forced to use a phony name to work as a volunteer for the homeless.

From BP's standpoint, Mr. Anoshian said, the company could make do without full control over the short term.

Most of the world's cocoa used to be grown either in West Africa or Latin America, with Brazil and the Ivory Coast still the world's biggest producers. But now, with Malaysia the world's fourth largest producer and output in Indonesia also rising, chances of bad weather hitting crops in three different areas of the world in one season seem unlikely.

Mr. Boesky had asked for leniency in a sentence that would combine "short-term incarceration" and 3,000 hours of community service. But the judge rejected the proposal for a "split sentence."

BP sees this as a long-term investment, he said. "It wants the production and reserves of Britoil in the North Sea."

Philip Morris's Pravda mailing was but its latest shot in the campaign. Mr. Smith said the company gave \$100,000 to Boston University earlier this year to organize and videotape a debate of the issues with representatives of both sides.

While neither side sought a sentence of a specific length, Mr. Boesky's lawyer said it should be no heavier than that of Dennis B. Levine, the former Drexel Burnham Lambert Inc. investment banker whose arrest in May 1986 led to Mr. Boesky's arrest.

Earlier this year, Philip Morris awarded \$80,000 in prize money to the winners of a contest it sponsored, soliciting essays on freedom of speech, censorship and advertising bans. The company said it had received more than 4,000 entries.

The lobbying and public relations efforts of Philip Morris and its allies appear to have paid off, at least for now. After two years of hearings, Mr. Sykes' bill has an uncertain future. It remains in a House subcommittee on health and has no sponsor in the Senate.

Mr. Levine was sentenced in February to two years in prison and a \$362,000 fine.

Philip Morris published a book of the winning essays.

Philip Morris's Pravda mailing was but its latest shot in the campaign. Mr. Smith said the company gave \$100,000 to Boston University earlier this year to organize and videotape a debate of the issues with representatives of both sides.

The longest sentence ever given for insider trading went to the former deputy secretary of defense, Paul Thayer, who received a four-year sentence. (UPI, AP, Reuters)

After the bid was announced, Moody's Investors Service, one of the two major U.S. debt-rating agencies, said it may downgrade \$9 billion of BP debt.

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FREE INFORMATION FROM INTERNATIONAL INVESTOR VII Herald Tribune. The latest information from the distinguished companies listed in this section are available to you at no charge. Simply circle the appropriate number on the coupon at the bottom of the page before January 28th, or telex the numbers with your return address, and the report(s) will be mailed to you by the companies involved.

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BAYERISCHE VEREINSBANK AG. BAYERISCHE VEREINSBANK AG paid its more than 90,000 shareholders an increased dividend of DM 13.00 (= 26%) for 1986. As a successful commercial and mortgage bank, we have continued to expand at home and abroad. Total assets rose by DM 1.3 billion to DM 80.9 billion in the second quarter, falling short of the year-end figure for 1986 by less than DM 0.6 billion. At mid-year 1987 total assets of the BV Group rose by DM 1.6 billion to DM 141.7 billion. BAYERISCHE VEREINSBANK shares are traded on all stock exchanges in the Federal Republic of Germany as well as in Zurich, Geneva, Basel, Vienna and Paris.

ECONOCOM. ECONOCOM is the industry leader in computer consultancy and implementation. The group is presently operating in 15 European countries, the United States, Canada and Japan with plans for continued expansion to other worldwide locations. To-day Econocom has expanded into all areas of data processing products and services, including maintenance, financing and trading. In only two years Econocom can boast total sales of \$499.6 million and a net profit of \$18.2 million. Stackholders' equity stands at \$144 million.

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VEBA AG. VEBA is one of Germany's leading companies. It is a broadly based industrial and service organization working in four major areas of activity: electricity generation and supply, oil and gas, chemicals, and trading and transportation. Total external sales in 1986 were DM 40.1 billion. Income before taxes was DM 1.9 billion, and Group net profit rose substantially to DM 1,020 million. Earnings per share have almost doubled since 1983. VEBA has nearly 70,000 employees and some 600,000 shareholders.

Mail this coupon or send telex to: Matthew Greene/International Investor VII International Herald Tribune 181 Avenue Charles-de-Gouille 92521 Neuilly Cedex, France. Telex: 613595 F. Please send me the reports from the companies circled, at no cost or obligation. Check here: [] if you would like information sent you to have your company included in our International Investor VIII feature scheduled for March 1988 and please attach your business card.

Friday's AMEX Closing. Tables include the nationwide prices as to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

Table A: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like AM, G, L, etc. with their respective prices and financial metrics.

Table B: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table C: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table D: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like O, P, Q, R, S, T, U, V, W, X, Y, Z.

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Dec. 18, 1987. Advertisement listing various international funds and their performance metrics.

Vertical advertisement on the right edge of the page, partially cut off, featuring 'Speculation' and 'Friday's OTC Prices'.

CURRENCY MARKETS

G-7 Speculation Gives a Lift to Dollar

NEW YORK — The dollar closed firmer on Friday, lifted by speculation that the Group of Seven industrial nations may soon meet and possibly renew the Louvre accord on currency stability, dealers said.

London Dollar Rates

Table with columns: Currency, Rate, Change. Includes Deutsche mark, Swiss franc, French franc.

They are just trying to keep the market stable ahead of Christmas, said a trader at a U.S. bank. Several dealers said the only way for the United States to restore confidence in the dollar would be to issue bonds denominated in foreign currencies, as former President Jimmy Carter did in the late 1970s.

Taiwan to Resist U.S. Dollar's Fall Versus Own Unit

TAIPEI — Taiwan, despite mounting pressure from Washington for a faster appreciation of its currency, will not allow a free-fall of the U.S. dollar against the Taiwan dollar, the central bank governor, Chang Chi-cheng, said Friday.

Greenspan Says Policy Of Fed Still Not Normal

WASHINGTON — Federal Reserve policy, which was relaxed after the Oct. 19 stock market collapse, has still not returned to normal, the Federal Reserve Board's chairman, Alan Greenspan, said Friday.

There's no evidence in these numbers to support the idea the Fed has tightened since the FOMC," said Stephen Slifer of Shearson Lehman Government Securities Inc. "But by the same token, it has not eased further either. It's steady as you go."

Euro-Commercial Paper

Table with columns: Issuer, Maturity, Bid, Ask, Net. Includes 15-45 days, 46-75 days, 76-105 days, 106-135 days, 136-165 days, 166-183 days.

SHERIDAN MORLEY IN THE IHT EVERY WEDNESDAY WITH PERCEPTIVE CRITICISM OF THE LONDON THEATER

Friday's OTC Prices. MASDAQ prices as of 4 p.m. New York time. List of stock prices and changes.

Large table of stock prices and changes, organized by sector (A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z).

Table of stock prices and changes, continuing from the previous table.

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Table of stock prices and changes, continuing from the previous table.

- ACROSS
1 Edible pod
5 Asironomer
Brahme
10 Like Joe Greene
14 Accumulate rapidly
19 Rape
20 Kind of duck or grass
22 Corkwood
23 Capital of ancient Ethiopia
24 Richard Roberts's father
25 Keglers make them
26 Thrown forth
27 Japanese P.M.: 1978-80
28 Gallimaufry
30 Monkeys
31 Inc. relative
32 Deceased
33 Watchful ones
35 Hawkins and Thompson
38 Closest articles
39 City NW of Arnhem
40 — Salaam, capital of Tanzania
41 Nicolais, e.g.
42 Drag
44 Like the tropics
45 Himalayan hulk

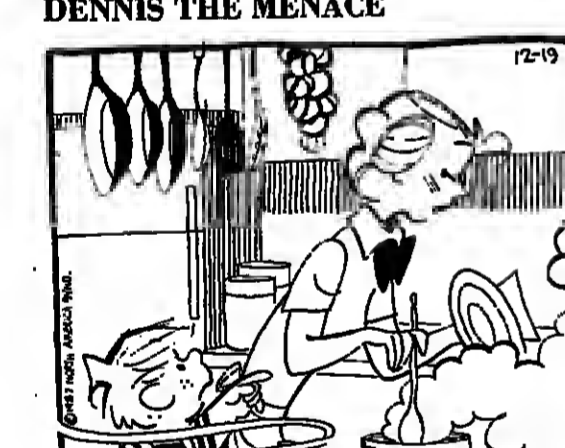
Let It Snow By John M. Samson
Crossword puzzle grid with numbers 1-114.

- DOWN
1 Bird of Baffin Bay
2 Inverted a stitch
3 May or Malin
4 Apportion
5 Recipe abbr.
6 Chatterboxes
7 "Sirangers and Brothers" novel
8 Plague
9 Foreboding
10 Gibson is one
11 Avoid adroitly
12 Cerastes
13 Actor Pendleton

- DOWN
14 Vehicle with runners
15 "Borstal Boy" author
16 Crop up
17 "Two Women" star
18 Shepherds
21 Queries
22 Hag
23 Moves like a rattler
32 Spurious wing
34 Dumfries
35 Leaning denials
36 "...unto us is given"
37 What Scrooge learned to do
53 Rev.
54 Lose strength
55 Pol. union of 1958
60 The real Lone Ranger
61 — de Chine
62 Kid
63 Vt. ski resort
65 Gawk
66 Off the wall
67 Pile up
69 Does some wallboard work
71 Gray with age
72 Fragrant windflowers
77 Lateran's locale
78 Seminate anew
79 Methuselah's father
80 — colored (variegated)
82 An Iranian language
83 Cover
84 Garage goings-on
86 Moved on foot
87 — Natchez in Venice's Straus
88 Soothsayer
92 Rocky pinnacle
95 Nobelist chemist: 1944
96 Raggedy Ann wears one
97 M.P.G.-rating org.
98 Fenced, but not for fun
100 Coles
101 Melville's second book
102 British statesman: 1864-1937
104 Bored ones
105 Despot's province
106 Palfrey matter
108 Employ
111 Effie Klinker's creator
112 Author
113 Author
114 Concurrence
115 Specially equipped rail-road car
116 English mathematician: 1815-64
117 Acrylic fiber
118 Tropic
120 A brother of Miriam
121 Suffix for personal
123 Cited often
127 Child, in Cadiz
130 Leo the Lion's co.
131 — pro nobis
133 Trawl

THE GREAT TRIUMVIRATE
By Merrill D. Peterson. 573 pages. \$27.95.
Oxford University Press, 200 Madison Avenue, New York, N. Y. 10016.
Reviewed by Jody Powell
THEY were the United States' "second race of giants." Entering public life with the War of 1812, they departed with the Civil War already threatening.

BOOKS
At the outset of this second generation seemed clear: the building of a nation upon the inherited legal, political, and geographic framework. Calhoun died in 1850, Clay and Webster two years later, with the certain knowledge that the great challenge to American statesmanship was to keep this one edifice from crashing in upon itself.



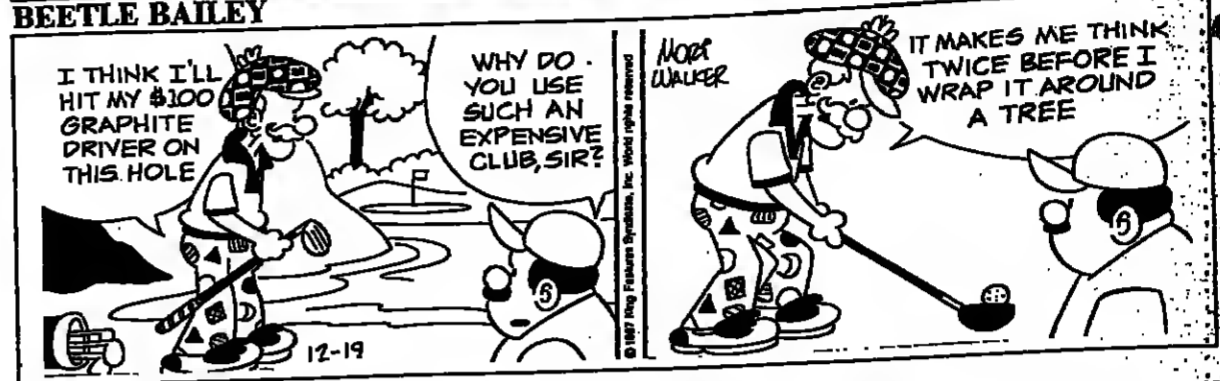
"IF YOU'D LET ME TELL YOU WHAT TO COOK, WE'D NEVER ARGUE ABOUT WHAT I EAT!"

World Stock Markets
Table with columns for Americas, Europe, Middle East, Oceania, Asia, Africa, Latin America, North America, and Frankfurt.

WEATHER
EUROPE HIGH LOW
Algeria 18 16
Austria 13 11
Belgium 13 11
Canada 13 11
Denmark 13 11
France 13 11
Germany 13 11
Greece 13 11
Italy 13 11
Japan 13 11
UK 13 11
USA 13 11

Solution to Last Week's Puzzle
A grid with letters and numbers for a crossword puzzle solution.

World Stock Markets
Table with columns for Americas, Europe, Middle East, Oceania, Asia, Africa, Latin America, North America, and Frankfurt.



Wales' Little Wales
Has Had a Big...
Like No...
Scoreboard
Transit

POSTCARD

Greetings for the World

By Paul Lewis
NEW YORK — Ask Kathryn Andrews how many shopping days are left until Christmas, and she may well ask, "What year?"
Some of her concerns are even more complex and exotic. For example: How many working days remain before Hindus start celebrating Diwali, the Festival of Lights, in 1989, or until Moslems end their Ramadan fast that year?

Hard Times for a Hit Man Out in the Cold

"You come in alive and go out dead." — Mafia motto, according to Aladena "Jimmy the Weasel" Fratianno
By Steve Coll
WASHINGTON Post Service
SEATTLE — Visibly nervous, pressing his back against the door, surely Jimmy Fratianno is remembering that, when he killed people for a living, he sometimes did it just like this. He lured his victims — just as he has now been lured — into a silent, solitary room, closed the door and then strangled them with a rope.



"Jimmy the Weasel" Fratianno.

Fratianno's gang tried to muscle in on Mickey Cohen, the Hollywood-connected gambling impresario who controlled most of the Strip's illicit business.
Over the years, Fratianno barely scratched out a living. He was present for the founding of modern Las Vegas in the late 1940s, but his Los Angeles family was about the only major organized crime group that failed to secure a profitable ownership interest in one of the new casinos there. "Vegas was our town," Fratianno laments. "We just never could get lucky up there."

PEOPLE

Benazir Bhutto Wed

In Arranged Marriage

The Pakistani opposition leader Benazir Bhutto married the businessman Asif Zardari in a traditional Islamic ceremony in Karachi Friday. The wedding was attended by close relatives of the two families, who had arranged the marriage. A public reception erupted in pandemonium and a woman was killed by a stray bullet when people fired in celebration. Hospital sources said the 25-year-old woman was watching the celebration from the balcony of a nearby building when she was shot.

Vertical advertisements on the right edge of the page, including 'Kiosk' and 'Water Wars'.

CHRISTMAS GIFTS, MOVING, ANNOUNCEMENTS, SATellite TV, PERSONALS, MOVING, CREDIT CARD CALLS TO THE U.S.A.

INTERNATIONAL CLASSIFIED

Real estate listings for various countries including USA, Italy, France, Germany, and Switzerland. Includes sections for 'REAL ESTATE TO RENT/SHARE' and 'REAL ESTATE TO RENT/SHARE'.

AUTOMOBILE MARKET

Automobile market listings including 'AUTOMOBILES', 'AUTO SHIPPING', 'AUTOS TAX FREE', 'TRANSCO', 'AUTO CONVERSION', 'ROLLS ROYCE AND BENTLEY', 'TAX FREE CARS', 'AUTODYNAMICS', 'AUTOS TAX FREE', 'ROLLS ROYCE AND BENTLEY', 'TAX FREE CARS', 'AUTODYNAMICS', 'AUTOS TAX FREE', 'ROLLS ROYCE AND BENTLEY', 'TAX FREE CARS', 'AUTODYNAMICS', 'AUTOS TAX FREE'.

LEGAL SERVICES, HOTELS, BOOKS, COLLEGES & UNIVERSITIES, NATIONAL UNIVERSITY, PEN PALS, CONTACTS WORLDWIDE, BUSINESS SERVICES, MONEY EXCHANGE, IMPORT/EXPORT, BUSINESS OPPORTUNITIES, FORMER IRS ATTORNEY, OFFICE SERVICES, ZURICH-ZURICH, SMALL AMERICAN INVESTMENT, BUSINESS SERVICES.